

Testimony of  
**Jeffrey Burlingame**

August 20, 2009

Good Morning Senator Whitehouse and thank you for the opportunity to be here today. My wife wanted to join us, but she was unable to attend due to work. She works as a freelance technician for a TV station in Boston.

My wife and I bought our home on May 24, 2006 for \$319,000. The house was appraised at approximately \$350,000. We believe this was around the peak of the real estate bubble.

Since we did not have money for a down payment, we took out two mortgages - a so-called 80/20 arrangement. The 80 percent mortgage carried a 7 percent fixed interest rate for three years. After June 1, 2009, that interest rate could change once per calendar year with a minimum rate of 7 percent and a maximum rate of 13 percent.

The 20 percent mortgage was a 9.25 percent fixed rate, with a balloon payment. This means that the entire remaining balance would be due on June 1, 2036.

According to the City of Woonsocket's tax re-evaluation, our home is worth \$247,100. This means we have lost nearly thirty percent of our home's value in three years.

On March 31, 2008, my wife and thirty of her colleagues were given layoff notices from their employer, a Boston TV station. Two months later, she began working as a freelance broadcast technician at another Boston Television station. While we had hoped she might be able to get hired full time somewhere, the television market nationwide has suffered major job losses and cutbacks. This has made her chances of securing a full time job in her field virtually impossible.

Fortunately my career is secure. I'm a firefighter with the City of Woonsocket. I will complete my 12th year of service on February 23, 2010.

On September 25, 2008, my wife and I were able to refinance our 80/20 mortgage with Wells Fargo into one 6 percent fixed rate 30-year mortgage.

In October of 2008, my wife experienced a lack of hours at her freelance job. She was forced to collect unemployment while working only one to two days per week. Our take-home pay dropped by about \$300 per week.

On December 11, 2008 we suffered another financial blow. My wife seriously injured her wrist while riding on a shuttle bus. Her only choices were to either live with the pain for the rest of her life, or undergo a partial or possibly full wrist fusion. We decided to go with the surgery, which she had on March 12, 2009.

Due to the nature of her job, my wife was unable to work for two and a half months. During that period we lost close to ten thousand dollars in pay.

On April 17, 2009, we requested a loan modification with Wells Fargo. We hired an attorney to help us through this process. On April 23, 2009 we submitted our financial information and all necessary paperwork.

On May 11, 2009 we received a letter from Wells Fargo stating that our account was in review.

One week later my wife logged onto Wells Fargo's website to submit our June mortgage payment as she has done several times prior. She quickly realized that our online privileges were suspended. She called Wells Fargo and stressed to them her concerns about not being notified of the change in our online status. After all, we were still getting email notifications of new statements to view but we were now blocked from viewing them. We were never notified of this change. They didn't send us anything.

Wells Fargo issued a verbal apology and told her to mail the check to them.

Against her better judgment, she sent the payment that day via the US Mail without certification or return receipt. She called Wells Fargo on June 1 and she was told there was no record of her payment and to call the post office.

My wife told them she was going to call every day until she had confirmation that the payment was received. They told her that wasn't necessary and to call at most once a week. They told her that we had until the 15th of June to submit the payment or a late fee would be assessed.

On June 8th we decided to put a stop payment on the check and to pay the bill over the phone. On June 16th Wells Fargo attempted to cash our cancelled check. According to our records we would have been one day late. Fortunately we paid by phone.

For the July and August payments we sent our mortgage check via certified mail. Even though it took several days for Wells Fargo to clear the check, at least we had proof and peace of mind that it was there.

While our account was in review, we received mail correspondence and phone calls from Wells Fargo asking us for more information. We received approximately four phone calls on different days of the week asking us for more information. Each and every time we told the person who was calling us that we had retained a lawyer and all questions and requests for additional information should go through that office. Each and every person said they were unaware we had a lawyer but none of them asked for our lawyer's contact information. They repeated their request for information and when we refused to speak with them they hung up.

On July 4, 2009, our loan modification from Wells Fargo was denied. They cited "this request would be outside of your investor guidelines."

Our lawyer's office told us Wells Fargo said we had an \$800 a month deficit in income, which is why we were denied and we didn't qualify for the next step.

On July 14th we resubmitted our request since my wife's hours at work increased.

Since then, our lawyer contacted Wells Fargo and questioned them about how they generated our financial information and the accuracy of it. Our lawyer discovered that they were looking at an old credit report (ignoring our financials worksheet) and said we had a second mortgage and we owed almost \$2000 a month on car payments. We don't have a second mortgage and our car payments total well under \$2000 per month.

As of today our file is still under review.

My wife and I are working hard to retain our home. It seems to us that Wells Fargo would rather foreclose on our house then follow the law and renegotiate our mortgage terms.

In closing, we can only hope that President Obama's "Making Homes Affordable Act" is followed by all lenders as it was intended to be. My wife and I thank you for the opportunity to tell our story here today and urge you to consider bankruptcy reform among other ways to make sure loan companies work to keep people in their homes.

Thank You and God Bless America.