

*Testimony of*  
Mr. Thomas Perretta, Consumer  
State of Connecticut

“Preserving Homeownership: Progress Needed to Prevent Foreclosures”

*Before the*  
Senate Committee on Banking, Housing and Urban Affairs  
July 16, 2009

Good morning, Chairman Dodd and Ranking Member Shelby.

My mortgage problems became evident when my wife, Susan, passed away in 2008.

All our lives we were a hard working couple, giving the best we could to our son, Tom Jr., and living modestly. In addition to our regular jobs, we each had various part time jobs.

Before we bought the town house in 2001, we lived for 1 ½ years at my in-laws to save up money for that purchase, which would be a home for us and our son.

I have been working with the Connecticut Board of Education for 11 years and Susan worked for Stamford Health. In 2004 she found her ideal job at Sacred Heart School, where she was a guidance counselor in college placement. She was earning about \$40,000 annually. With our joint incomes we were able to keep our family finances going smoothly and send Tom Jr. to Quinnipiac University.

But in 2005, just as Sacred Heart was closing permanently, Susan was diagnosed with leukemia. In April she had chemotherapy which was followed by a bone marrow transplant October 21, 2005.

My medical insurance covered her medical payments, although not the co-pays. Finally Susan began receiving Social Security disability of \$1,400 monthly. As Tom Jr. had begun college in 2004, this helped but not enough.

Throughout the years Susan had managed our finances and in order to keep Tom Jr in college, we applied for a home equity loan from Wachovia and began increasing credit card debt. Susan helped Tom Jr apply for student loans, and we also took out one parent student loan.

Because we had both worked all our lives, Susan even began looking for a job after her bone marrow transplant, even though she was still weak. In April 2008 Susan developed an infection and became extremely weak. While at a nursing home her health deteriorated and she never returned home..

In order for her to have a proper funeral I borrowed \$16,000 from friends. I have just finished paying that amount off.

Suddenly after 25 years in which Susan handled the bills, I was overwhelmed but I realized I had to keep paying the mortgages on the townhouse.

We had a first with Chase and a second with Wachovia. I got a grip on some of these and started chipping away at our debt. I was making payments to Chase at the branch. At the beginning of 2009, as money became tight and I was worried about making payments I went to the Chase branch for help because I could not keep up.

The Chase customer service representative told me someone would phone me, but no one did.

At the beginning of 2009 I spoke to a Chase representative over the phone asking for help in a loan modification and her reply was that I did not make enough to qualify. I was unable to convey that I had just been through the tragic death of my wife and was trying to settle everything in a reasonable manner.

In the past few months Chase collections has been calling me at work, but no one has ever suggested that they might help me, or proposed a single positive step for resolution. The last calls was just a few weeks ago.

It seemed that Chase did not realize that people like me, who have just had an overwhelming event in their life, may still be honest responsible human beings who need help.

I turned to a housing counselor at the Housing Development Fund and they are trying to help me negotiate with Chase since February. So far they also have not received a reply, even though my mortgage is a FNMA and should qualify for Make Your Home Affordable. A package with my request for a modification was sent to Chase on May 4<sup>th</sup>.

I explained to the counselor that with all the bills piling on top of each other, I was unable to pay the common charges of my condo association and am now in a one year agreement with them. I also have an agreement with the electrical company. Other creditors have worked with me, only Chase is still not doing that.

Now that Tom Jr. graduated from College and is working he will be contributing to the household income. He will help me in paying off the past due common charges (the agreement is for \$500 a month) and I am giving up my car which will lower my expenses by \$300.

With all these steps in place, some of which the counseling agency proposed, I can make payments of

\$1400 if Chase/FNMA will work with me.

People like me should be the ones the banks are helping. I am now 6 months past due. I hope that Chase will give me a modification soon.