



Association of Community Organizations for Reform Now

April 7, 2008

**Christina Anderson Jones,
ACORN Member**

Chairman Dodd and members of the Committee:

Thank you for giving ACORN the opportunity to testify as to the effects of predatory lending and the need for meaningful mortgage reform in Philadelphia and throughout the Commonwealth. We would also like to thank Senator Casey for bringing this hearing to Philadelphia.

Philadelphia has been my home all my life. My daughter and I live in different homes on the same block I grew up in South Philadelphia. I am a block captain and have been involved in my community for many years. I try my best to be a good neighbor. I organize block clean-ups and do things for the children when I can. My house is not just a house, it is my home and where I hope to live the rest of my life.

Just two years ago, I refinanced my home with Wells Fargo / America's Servicing Company. I was facing a rough time financially, and they offered me what I thought at the time was a good deal, get some cash out of my home to help me get by the hard times. My payments would be just over \$400 a month. It was a payment that I could afford.

Late last year I received a note in the mail from Wells Fargo saying that my monthly payments would begin adjusting upward in February. I immediately called the man who set me up with my loan.

He said, "No, no that isn't right. I only make fixed loans." I remember hearing that once before from him, during closing. I have not been able to get him back on the phone after I gave him a piece of my mind, which I did shortly after ACORN showed me where in my loan the adjustable rate language was tucked into my loan.



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I am on a fixed income, but my mortgage is not fixed. I was on a fixed income when I got this loan, why was I given this ARM loan in the first place? I did not ask for an adjustable rate loan, I do not know anyone who did. But in 2006, the year I refinanced my home, about 42% of the people in Philadelphia who refinanced, refinanced into a subprime loan. Close to 12,000 people, many seniors like me that wanted to make minor repairs to their home or needed some money to help out a family member, are going to be in trouble this year because of these loans.

Where are they going to go? Where am I going to go?

My last monthly payment was over \$700, almost double what I thought I was going to be paying. I am current on my loan, but I have to beg and borrow from other places to make that payment. Gas and electric fall behind one month, the phone bill the next. I will not be able to keep it up much longer. I have been trying to work with my lender as soon as I found out that I had an adjustable rate mortgage. I have tried to go at them myself and with the help of ACORN Housing. I do not want a hand out, I just want what I was promised – an affordable fixed rate mortgage.

It takes months for these lenders to return a phone call. If there are thousands of us in Philadelphia and millions around the country that are going through this, the lenders need to take notice. They can't handle those of us that have been calling now, if 2.2 million people are going to be facing foreclosure over the next year, how can they get away with not having a standard process for fixing these loans?