

To: Member of the Senate General Government, Consumer and Small Business Protection

From: Gerry and Cyndy Sticka

Date: February 27, 2013

Testimony in Support of SB 558

Several years ago we may have agreed with the big banks that claim to have legitimate complaints about the newly enacted foreclosure mediation law. My wife Cyndy has owned and operated a small business for the last 18 years. We can think of a few laws that we have legitimate complaints about and would have liked to ignore. However, at the end of the day, I always chose to abide by the law and never, never would my wife treat her customers the way our mortgage servicer, Bank of America, has treated us. There is no legitimate excuse for the careless business practices, long delays, lost paperwork and misinformation that we have been subject to for the last year and a half. Now, Bank of America is denying us the right to meet face-to-face with an authorized representative for mediation under Oregon's new law.

Like thousands of people across the state, our struggle started with job loss. I have worked in the same industry for 20 years so it came as a real surprise to us when I lost my job in 2009. After a long period of unemployment I am back to work with a job that pays half of what I was making before. Our other source of income comes from my wife's business in Hillsboro, OR.

When things got tough we contacted Bank of America to talk about lowering our interest rate as a way to make the monthly payment more affordable. We are paying 10 percent interest on a loan we took out in 1996 and refinanced in 2000. When we called, we were told to skip a payment in order to qualify for help. Against our better judgment we missed a payment – our first missed payment in more than a decade - and submitted our application. All we got was a bill for late fees and the runaround on our request for a modification. We paid the late fees and haven't missed a payment since. We have tapped into our retirement savings to stay current but we know we cannot sustain this for long. That's why I was so encouraged to learn about Oregon's new foreclosure avoidance mediation law. I was hopeful that we would end the chaos and finally get an answer from our bank.

We logged on to the mediation website and submitted our request to meet face-to-face with BofA. We did not hear anything back from the bank for a long time. While we were spending time and energy trying to contact BofA, we read discouraging news reports stating that BofA, along with several other big banks, are "almost universally ignoring the mediation program." Finally, we heard back from our advocate at the call-in-center, who left us a message saying that BofA had ignored the request for mediation. Before, they were quick to give us misleading advice to miss a payment, and now they were refusing to respond to our request made through the available legal process. We continue to pay a 10 percent rate on a loan that we have had going on 13 years. We are unsure how long we will be able to stay in our current situation, and the hours spent trying to exercise our legal right to mediation have been exhausting. I hope that a solution comes along before it is too late.

The solution to all of this is simple – follow the law. However, in its current state, there is little in place to hold the banks accountable. Customers like us who qualify for mediation are unable to achieve it through the approved methods. I hope our lawmakers take note and support SB 558, creating a system where the punishment for non-compliance is swift and strong. Too big to fail shouldn't mean too big to comply.