

From: [William Ball](#)
To: [Sen Shields](#); [Sen George L](#); [Sen Baertschiger](#); [Sen MonnesAnderson](#); [Sen Prozanski](#); [Newell Channa](#)
Subject: In Support of SB 558
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I am a solo practitioner in Portland. About 3-5 times every week for the last 3 years I have provided free consultations to potential clients in foreclosures. There is about a 1% chance that a homeowner is going to get a loan modification once they have defaulted. There is a 0% chance that the homeowner is going to get an explanation from the bank as to why he/she is being denied for a loan modification, short sale, deed in lieu of foreclosure, or a refinance. There is also a 0% that the homeowner is going to be able to sit down with a decision maker. The banks are highly resistant to offering loan modifications to clients. The only times I have been able to obtain a loan modification for a client is when the bank is faced with a motion for summary judgment that carries the risk of losing all their interest in the subject property. The attorney fees for the clients are high.

I have one case where the clients fell behind in their payments because of the decline in the construction market. They were put into a dual tracking program by the bank. They were late on their last payment which would have put them current, and the bank sold their house on the courthouse steps. The notice of the sale date was never provided to the homeowner, except through publication in a paper they had never heard of. The bank spends \$70,000 in attorney fees before agreeing to review a loan modification in exchange for dropping homeowners' law suit. 8 months later, the bank denies the application. They said they couldn't reduce the payments by 10%. No further explanation. The banks would rather spend \$70,000 and take back a house with a depreciated value that offer a loan modification to a working family. The wife is a elementary school teacher. The husband has gone back to school and received a masters, and re-employed himself as a retail business manager.

The banks ran a play action on Oregon last year. They said they would agree to a mediation program in non-judicial foreclosures. They backed out of it. To my knowledge there has not been one mediation since the law was passed. Instead of complying with the law by recording assignments of the note and deed of trust, and participating in the law they helped create, they started suing Oregonians. Oregonians cannot afford to fight the banks.

Many of these loans were handed out nonchalantly. The mortgage banks have such a tight grip on Oregon properties that they are choking the life out of Oregon residential real estate market.

If homeowners lose the MERS issue and SB 558 doesn't pass, homeowners will have few tools to avoid foreclosure. Foreclosure rates are already on track to climb above 16k new filings this year, and some think they will go higher. I talked to an attorney for a lender last week who said that they have 2000 new cases waiting. Foreclosures next year are going to go up again. The construction market is dead and broke.

Lenders' attorneys have assured that there is nothing to worry about because when Reg X goes into effect in 2014, the large servicers will finally start complying with loss mitigation provisions that are already required under the National Mortgage

Settlement and the OCC Consent Orders---you know, the kinds of rules they are currently ignoring.

These laws work.

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