

## STATEMENT OF NANCY DIX

Good morning, my name is Nancy Dix. I am sixty-seven years old. I live in a double-wide manufactured home in Ansted, West Virginia. After my husband died of a heart attack in 2001, I was contacted by lenders to refinance my home with promises of saving me money. My husband had always handled things like loans so I did not know much about mortgages and loans. I trusted the people I dealt with because I thought they were professionals looking out for my best interests. I later found out that I was actually being taken advantage of by predatory lenders.

In the spring of 2002 I spoke with a mortgage broker called Infinity, which told me it would save me money. Infinity sent an appraiser out to my house and valued the property for \$97,000. I later learned that it was actually worth about \$59,000.

After the appraisal, Infinity told me a man would be coming to my home with papers to sign. When the man came, I learned for the first time that my payments would be \$800 a month. This is higher than what I was expecting and a lot for me to afford on my fixed income. I asked about the payments and was told that in a few months, they would lower

my payments to \$600. The signing was rushed, and no one explained the papers to me. I admit I was confused by all that paperwork and simply trusted that I was being treated honestly.

The loan ended up with a bank called Flagstar. The total amount of the loan was for \$86,700.00 with an APR of 9.481%. Under the loan I was required to make payments of over \$245,000.00 over thirty years.

After the signing I began making payments. I contacted Flagstar after a few months to lower my payments. Flagstar told me that I would have to come up with more than \$8000 out of my pocket before they would lower my payment – money I did not have. I struggled to make payments over the years and was forced ultimately into bankruptcy. When I tried to catch up my payments with Flagstar, they wanted me to pay large amounts that I could not afford on my fixed income. Flagstar wanted me to pay over \$1800 a month when my income was only about \$2000. Also, Flagstar force placed expensive insurance on my account, which made me further behind and increased my monthly payment.

In July 2005 Flagstar started sending my payments back to me. Eventually, my

home was sent into foreclosure, with a sale set for December 15, 2005.

Around this time I was contacted by an outfit from Houston, Texas, called Mortgage Rescue. They told me to send them some information about my finances and \$921 and they would stop the foreclosure. So on November 8, 2005 I sent them the information and money. They responded to me by a letter I received only days before the foreclosure. The letter said for me to call Flagstar and work out a forbearance agreement, but I would have to pay the total amount I was behind and a \$5000 deposit to Flagstar to stop the foreclosure. Mortgage Rescue knew I did not have this money. I could have worked out this deal with Flagstar at anytime, without sending Mortgage Rescue \$921. Basically they took my money for nothing. I later found out that Mortgage Rescue was not even licensed to do business in West Virginia. I never got my money back from them.

Luckily, I was able to call the West Virginia Attorney General, who had the foreclosure put off. I was then sent to Mountain State Justice, a non-profit legal services office, and they worked it out so I could keep my home.

If I had not called the Attorney General or found Mountain State Justice, I would

have lost my home. I would be in my late sixties, retired, widowed, with nowhere to live. I think at times about other people who sent their hard-earned money to scam artists like Mortgage Rescue. I hope you are able to do something to prevent these crooks from taking advantage of people who are desperate, like I was, because they are facing loss of their homes. Thank you.