

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

Prior to moving back to Boston, I was married for 10 years and had been a homeowner. When I returned to Boston with my three kids, owning a home was not a priority, albeit, it was a goal. I rented an apartment for four years when I decided that as my children were getting older, it was important to maintain the same standard of living they were once accustomed to: a home, a backyard, a neighborhood. So began my search; it was the fall/winter of 2005.

In a local newspaper I came across an ad for a program assisting first time home buyers with a downpayment on a home. I wasn't certain I qualified because I had previously owned a home in another state; nonetheless I met with the person and found they were a combined mortgage broker and realty firm. I was told I didn't qualify for this down payment program because of one negative account on my credit report. I believed they would've found anything negative just so they wouldn't qualify me for the downpayment and I realized the ad was a ploy to get people in the door. As such, I decided to work with the realtor and not the mortgage broker. After looking at several properties and not finding anything I liked and/or could afford, I gave it a rest and told myself I would resume searching when the weather broke. It was during this break that I was introduced to a mortgage broker at Summit Mortgage.

Our initial meeting was at a Dunkin Donuts and subsequent meetings were made at an Au Bon Pain or places of a similar nature, rather than in an office setting. My credit score, as it turned out, which was above 660, was high enough that it qualified me for 100%

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

financing. I must admit I was not entirely sure of what 100% financing meant. The broker informed me that it qualified me for no down payment. Our second meeting was to give the broker my financial information: bank statements and pay stubs. I was also asked if I had any retirement savings, though I found it odd that the broker would ask me about a 401, it wasn't something I questioned until much later when I realized it was counted as part of my income.

At a later meeting I learned that I would receive an "80/20" loan and that it meant the loan would be split; however, I still was not really clear on what that meant until closing where I had two sets of documents to sign and what appeared to be two mortgages. As aforementioned, I owned a home in the past; closing in that case was done at our dining room table and my ex-husband and I only signed one set of papers so I was a little perplexed. This is when my eyebrow was first raised. During closing I read through as much of the huge number of documents as I could, paying specific attention to fees and dates.

I noticed immediately a few discrepancies. The high interest rate on one loan, the balloon payment, and the fact that I didn't have a fixed-rate mortgage, rather a fixed for 2 years and an adjustable-rate thereafter in which the date the adjustable rate was scheduled to increase was dated at six months from the date of the documents. I asked the broker why did I receive this kind of mortgage? The broker stated, "This was the best deal we could do for you." And I responded, "With my credit score this is the best deal?" I am a

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

consumer. It's not my job to know what a broker does, all I can do as a consumer is ask the right questions and hope that the answers given are truthful based on the nature of that person's profession and trust that that person knows what he/she is doing.

I was apprehensive in signing the documents and voiced this to the broker and to the broker's closing attorney. I was worried about losing the home and my deposit. It was also stressed to me that my closing was imperative so that the sellers could close on time, which was the same day. In essence, I was coerced into signing the papers due to the sellers needing to have the money from my closing to attend their closing, with the assurance that the adjustable rate date would be corrected and be mailed for my signature.

Although in the end I did receive corrected papers, I never received copies of the documents with the lenders' signature. Additionally, there were other issues. There wasn't a Homestead in place and because the broker took it upon herself to not have a Homestead in place, there were fees paid on "my behalf" toward taxes and/or insurance. As such, I had to go back to closing a second time to file the Homestead and be reimbursed those fees. I was supposed to have the deposit I submitted with my application returned. When I questioned why it hadn't been returned I was told that it went toward the down payment; however, I was never given the courtesy of asking if I wanted to put that toward a down payment, and further, why would I have to if I qualified for 100% financing?

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

I also learned for the first time that my two loans would be "sold" to Countrywide immediately after closing.

At the end of the day I did receive two mortgages. The first loan, despite my good credit, was a variable rate with an APR of 11.52%. That loan included more than \$8,500 in settlement charges. The second loan was at 11.317%. Under that loan, after making 179 payments of \$629.38, I would have a balloon payment of more than \$55,000 due in a lump sum.

As I had no way of knowing the rates paid by white borrowers with similar credit to me, it wasn't until much later that I learned that it was very likely that my loans were at rates and on terms that were worse than those available to white borrowers who are similar to me. While I am not a person who cries "discrimination" whenever a problem arises, I do think that the system needs to be designed so that people with the same credit ultimately get the same rates. And, all borrowers should be able to rely on a system that allows them to get loans with understandable terms at affordable rates.

And, in the end, the loan, despite my best efforts was unaffordable. Three months after I moved into the home I lost my job. I lived off of a small savings until I ran into difficulty paying the mortgage. I reached out to a non-profit, Ecumenical Social Action Committee (ESAC). They paid the second mortgage (the smaller payment) and it was during this meeting in which the woman whom I met saw discrepancies with the fees on my loan

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

documents. I also reached out to Countrywide to inform them of my financial situation and asked if the loan could be modified. It is imperative that I emphasize, that I am very marketable in terms of my job skills and I did not anticipate being out of work for too long. I took whatever job I could, but I could not manage the high payments. I worked a series of temp jobs, albeit with a decrease in pay and I worked with several employment agencies to find permanent employment. I tried refinancing with another lender; I contacted several non-profits to assist me in paying the mortgage to help me negotiate a modification with Countrywide to no avail.

I eventually took on two jobs, one working from 11pm to 7am the other working from 11am to 7pm, in addition to attending classes two evenings a week to obtain my bachelors degree. I sent all the necessary paperwork to the modification department at Countrywide. It took weeks before I spoke with anyone and that was only after I initiated contact to find out the status. I was told they hadn't received the paperwork. I resubmitted everything for a second time where I was informed that I did not qualify for the modification. I fought with them about this stressing the combined income with from the two jobs and they resubmitted the paperwork a third time. When I finally heard back from a representative from the modification department, it was via voicemail. As such, we played phone tag and never spoke. A few days later I received a notice to foreclose. The time frame from when I first reached out to Countrywide until the foreclosure notice was March/April to October of 2006.

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

I was still willing to fight for this house and my last effort to keep the house was to file Chapter 13. However, with the new bankruptcy laws in place, the payments to the trustee pushed me over my monthly income limit and sadly, I was forced to convert to Chapter 7 a few months later. I was told by a court clerk that I would have to vacate the premises because the stay would be lifted and the foreclosure procedure would commence immediately. Not wanting to be homeless with my children, I rented a townhouse within walking distance from the property.

During this time, I worked with a realtor who had buyers for the property for a short sale but because the house was in bankruptcy it caused problems, equally Countrywide was not being cooperative (according to the realtor). In fact, for whatever reason Countrywide wanted my financial documentation forwarded to them through the realtor as one of the criteria's to sell the house. Due to all of the back and forth issues and paperwork with Countrywide, the buyers and realtor grew frustrated and decided it was too much of a hassle due to the uncooperative personnel at Countrywide and both parties pulled out.

The house was supposed to foreclose in 2007, 2008 and again in September 2009, but as of date, it is still sitting there. I do recall at one point Countrywide changed the locks and the realtor had to contact them to gain access. When President Obama passed the stimulus package I was told by Countrywide that my status was placed on hold and this is why the house had not foreclosed. Yet, they were unwilling to work with me on getting

**TESTIMONY OF GILLIAN N. MILLER**  
**Subcommittee on the Constitution, Civil Rights and Civil Liberties**  
**April 29, 2010**

the house back because according to the person I spoke with I have to reside in the home in order to get help.

In closing I'd like to say that we speak about having the American dream and as an immigrant to this country from Barbados it was something to look forward to achieving: Having an education, a great career, homeownership, a family. I worked hard at achieving my educational goals; this fall I will be enrolled in a social work master degree program, and in spite of being divorced, I have managed to singlehandedly raise three great children who excel in academics, civic duties and sports. I once had homeownership. The experts say when you fall into financial difficulty the first thing you should do is contact your creditors. Well I did just that and more. I took all the necessary steps, I did everything right and in the end that American dream was taken from me. I was victimized by the lender, the broker and the courts; however, even through this ordeal that caused me great angst and stress, if it means that my story will help the next person not be a victim of someone's pre-judgment based on their skin color or their status, then my attempts to fight for my home, something I worked very hard at obtaining has not been in vain.