



## CASE STUDY - MR. JOSEPH REDHEAD, BROOKLYN, NEW YORK – MARCH 15, 2019 -

Here is Mr. Redhead's story about Fremont's lending practices during the subprime era, and Wells Fargo Bank's current loan modification practices as to that mortgage loan.

I am a construction worker, I have built bridges. I worked on the Tappan Zee Bridge and now I work on the Kosciusko Bridge. I am unionized and make good wages. I am married with 3 children. All three children are in college.

When I bought my home, I got a loan from Lend America. A year and a half later, I refinanced with Fremont Mortgage. They asked me if I wanted some cash back and I said yes, but only if there was equity in the house to cover it. They added \$100,000 to the mortgage and gave me \$37,000. The loan was more than the value of the property, but they did not tell me that. I didn't have anyone who could look at the paperwork they had me sign.

Something was fishy about the loan. When they brought the check, they met me on the street, in Brooklyn, near my house. They were two white people handing me the \$37,000; they did not make it clear that the loan was for an additional \$100,000 or that the payment amount would go up. My monthly payments went immediately from \$3,200 a month to \$5,000. When I found out about the additional \$100,000, I was angry. The bills come in two different statements each month, the second is called an "equity line of credit" secured by the house.

Construction work can get slow, and after a couple of months of not working, I fell behind in payments. My loan had been sold off to another company, and now I am dealing with Wells Fargo. Now my work is steady and I can pay. Wells Fargo asked for two months pay stubs and would not accept the employment gap, even though I have been working steady for three years now. I have been working with my lawyer Alice Nicholson since 2012. They denied a modification of the mortgage loan because 27.48% of my income was going to my mortgage payment instead of the qualifying 31% threshold. Wells Fargo was paid the U.S. TARP money, icing on the cake of what it already made from me; now, Wells Fargo is trying to throw me out and get my home. My wife and I are earning \$13,763 a month; my wife is disabled; yet Wells Fargo is calculating our household income to include her social security payments, without looking at what our expenses are. Wells Fargo denied all my loan modification applications, and now they want the Court to grant them the opportunity to auction off our home. I have worked all my life. I prefer not to go backwards economically. I am a taxpayer.

My lawyer filed for bankruptcy for me, but Wells Fargo refuses to give me a loan modification to reorganize my mortgage debt. Wells Fargo says that I make too much money. My wife Pauline Redhead filed bankruptcy to try to get a loan modification in the Bankruptcy Court's loss mitigation program. **WELLS FARGO'S LAWYERS -- SHAPIRO, DICARO & BARAK, LLC - WROTE THAT DUE TO REDHEAD'S "2010 DEFAULT, AND CONSISTENT SIGNIFICANT INCOME SINCE 2012, AND A LACK OF ANY COMPENSATING FACTORS "... *THE DENIAL STANDS [DUE TO] OVER EIGHT YEARS OF NON-PAYMENTS DESPITE SIGNIFICANT INCOME.*" PLEASE SEE JULY 12, 2019 LETTER.**