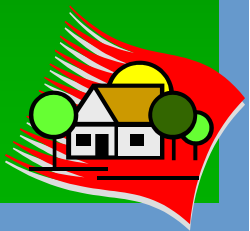


*When it
comes to
owning a
home...*



*...it's what
you don't
know that
can cost
you dearly!*



Place
Stamp
Here

***To find out more about important financial services
issues facing consumers, visit these web sites:***

www.mortgagereform.org

www.responsiblelending.org

www.msfraud.org

www.loansharks.blogspot.com

www.consumercity.org

www.naca.net

www.creditinfocenter.com

And for millions of borrowers, it's what they don't know that means they are facing the very real risk of being overcharged, having their credit ruined, losing their equity - and even their homes.

In today's complex mortgage market, the home buyer is forced to deal with an incredibly complex process involving several businesses and dozens of people.

In almost all cases, the lender their broker puts them into a mortgage with is not the entity they will be making their payments to in the future.

The "loan servicer" becomes responsible for a number of important functions, not the least of which is applying the proper amounts to principal, interest, escrow, etc., and over the life of the loan, servicing can be transferred (sold) several times—and the borrower has no control over these transfers whatsoever.

With many of the more creative loans made today, the potential for errors on the part of the servicer is very high; in fact, some experts indicate at least a third of all adjustable rate mortgages (ARMs) have significant calculation errors.

And too often, the homeowner doesn't find out about these problems until they seek to refinance or sell the home, or worse, the servicer starts making almost inexplicable demands and threatening foreclosure action unless they are met.

The more aggressive of these "predatory" servicers will actually take advantage of these situations to profit from excessive, even illegal fees and force borrowers into costly forbearance or reinstatement agreements.

While the FTC has stepped in and taken action against one of the worst of these firms with a \$55 Million-dollar settlement, and forced that company to adopt more acceptable servicing practices, the settlement ruling has not stopped others who continue to take advantage of their almost unlimited power over consumers.

An important step needs to be taken to protect borrowers

Many of the situations where victims of servicing abuse were taken advantage of came about because they did not know the payments they were making were not being processed or accounted for properly until it was too late.

Why?

Because some servicers either don't send a detailed, itemized monthly statement or they use pre-printed payment coupon books.

Without detailed and timely records to rely on every month, what could be simple, correctible problems frequently escalate into real trouble and unnecessary expense for borrowers.

In fact, borrowers who become victims of these schemes may not find out until they receive a returned, un-cashed check indicating the amount was insufficient. Suddenly, their credit report starts showing past due amounts and late payments. And just one of these easily-manufactured late payments can prevent a borrower from getting refinancing.

How can this be prevented?

One very simple step is to require servicers to send a detailed, itemized statement every month to every borrower who asks for it.

This isn't a difficult or expensive requirement. Responsible lenders and servicers know the value of having consumers informed in detail on a monthly basis rather than having them constantly calling on toll-free numbers and tying up employees with inquiries.

But those who are willing to take advantage of an unwary borrower may fight to keep this important form of consumer protection from being implemented.

What can I do?

First, if you're not already getting a detailed statement every month, call your mortgage servicer and ask them to send you one. Whether they agree to or not, you should still sign a petition that will be presented to key members of the United States House of Representatives and Senate.

It's easy! Just visit:

www.ipetitions.com/campaigns/monthlystatements/

(For a printed version, please contact: deniserichardson1@netzero.com)

Then, call your Representative's and both of your Senators' local offices and find out who on their staff deals with legislative matters involving consumer issues, especially if they have someone involved in consumer finance and banking. Send that person a copy of this brochure along with a brief letter asking for their support in getting something done during this 109th Congressional session.

We also need to take this message to our state agencies and legislators. It may take years to get Washington to act, but some states have consumer-friendly representatives and regulators. Even a handful of states acting to protect borrowers will send a powerful message.

Another level of local influence should be used to ensure your tax dollars aren't being spent with companies who own or control lenders and servicers who refuse to provide borrowers with this much-needed protection. Financial services companies do a tremendous amount of business with state and local governments, particularly with bonds, insurance and investments. Learn what companies are involved and let your city, county and state officials know.

Publicity will help, too. Write letters to your local newspaper to raise awareness of the issue as well as the effort being made to do something about it.

And of course, distribute copies of this document to your neighbors and friends.

