

NASLH

**National Association
of
Senior Legal Hotlines**

Administration on Aging 'Listening Session' San Francisco, March 3, 2010

Statement by David L. Mandel, Chair, National Association of Senior Legal Hotlines

Contact: c/o California Senior Legal Hotline, 444 North 3rd Street, Suite 312, Sacramento, CA 95811; 916 551-2145 (administrative number); dmandel@lsnc.net

Good afternoon, and thank you for the opportunity to deliver our concerns and suggestions. My name is David Mandel. I am manager of the California Senior Legal Hotline, based on Sacramento, and current chair of the National Association of Senior Legal Hotlines, which unites my colleagues in 25 states, D.C. and Puerto Rico, where we provide super-accessible fast, effective legal advice and a variety of additional services to many tens of thousands of elders each year.

Unfortunately, however, all those numbers are shrinking, as four statewide hotlines have had to shut their phones in the past couple years and most have had to cut back. More anticipate serious, possibly fatal blows, this year or next.

In California, we have had to weather the loss of direct AoA funding and the veto of our entire state funding (along with other important programs that used to serve needy seniors). We have survived by diversifying into projects like pension counseling and lately, intensive foreclosure work – all worthwhile in their own right. But the lack of stable core support threatens severe cutbacks by summer. We have never come close to meeting the full demand for help, but these days it is more difficult than ever for a California senior to get through to us with the kinds of questions that were our routine several years ago, ones that can be answered meaningfully and effectively by phone, such as:

- How can I deal with threatening debt collectors?
 - I got this call – is it a scam?
 - Can a reverse mortgage save my home from foreclosure?
 - A speaker at the senior center told me I really need a living trust. Is that true?
 - Can I be turned down for a job because I'm "too old"?
 - Can I get food stamps?
 - Should I transfer my house to my son, as he's pressuring me to do?
 - Can he really remove me from my home if I don't?
 - My landlord says I need to move out; what rights do I have?
 - How can I stop a neighbor from harassing me?
 - Can I challenge a revocation of my driver's license?
- ... and many, many more.

Hotlines are on the front line of direct service. But with our high volume of calls and statewide scope, we also often find ourselves ahead of the curve in identifying emerging issues, alerting and training others about them, then leading in statewide advocacy efforts

Most statewide senior legal hotlines, also called "helplines" or "advice lines," got their start with AoA funds that began in 1991, under the "Program Innovations" section of the Older Americans Act. They were demonstrations that have proved their worth, indisputably, as the AoA program staff –

and a series of consumer surveys and studies -- can attest: highly popular, cost-effective and just plain effective in ways that truly save far more public funds than they cost. Two small examples: An effective, timely power of attorney completed today may well avoid the need for a costly, adversarial court conservatorship case down the road. And an abused child securely placed with a loving grandparent can avoid the complications of the foster care system, not to mention probably raise a more successful adult.

The limited “program innovation” funding available for statewide legal assistance since 2006 has gone instead to “Model Approaches” grants, meant to spur states to develop and support integrated delivery systems, with statewide hotlines at their hub. It’s a great idea, but unfortunately, few states have stepped up, and in today’s economic climate, far more have instead reduced their support.

We in California and our partners elsewhere very much appreciate the need for integrated legal services delivery systems, involving also local providers under Title III-B and state legal assistance developers; and in close collaboration with national support centers, health insurance counselors, long-term care ombudsman programs, benefits counselors and others. While most of those other elements are included in the OAA, however (albeit under- and in some cases unfunded), senior legal hotlines are nowhere to be found. Considered the hub of what all agree needs to be integrated delivery system, it is time for that to change. Therefore, our national association has submitted a proposed new section of the act, along with more detailed background than there is time to express here. Copies are available.

One final note that I know will resonate with my fellow Californians: Our state has received one of the “Model Approaches” grants that I mentioned. We’re excited and hard at work improving coordination among our hotline, 33 area agencies on aging and 40 local legal assistance providers. But it’s a daunting challenge -- and we’re receiving exactly the same modest amount of federal funds for the purpose as is Vermont, with about 1/50th the population and a single legal aid provider. This type of imbalance needs to be corrected, for legal assistance and with many other federal funding streams.

I hope I’ve helped you understand how senior legal hotlines have “demonstrated” their worth and need to be consistently and adequately funded in every state as part of a strengthened and integrated system of legal assistance for seniors.

Attachments:

1. NASLH fact sheet.
2. Background for OAA amendment.
3. Proposed OAA amendment.
4. California SLH report on foreclosure cases.
5. A selection of comments from California SLH client surveys.

NASLH

**National Association
of
Senior Legal Hotlines**

Statewide Senior Legal Hotlines: Justice is Only a Phone Call Away for Senior Citizens

NASLH, c/o Elder Law of Michigan, Inc., 3815 West St. Joseph Street, Suite C200, Lansing, MI 48917

SENIOR LEGAL HOTLINES: A PROVEN ‘PROGRAM INNOVATION’

- Statewide senior legal hotlines (known by different names, including legal helplines, advice lines and law lines) provide free legal information, advice, referrals and a variety of additional services to Americans over 60. Seniors can call toll-free and talk to specially trained advocates about any legal issue. Most callers receive the advice and information they need during a single phone call, but extra help is often available when needed.
- The first hotlines were established in the late 1980s. From 1991 to 2006, short-term Administration on Aging “program innovation” grants supported about a dozen hotlines every year. Over the years, hotlines in 27 states, plus D.C. and Puerto Rico, received these grants. (Hotlines in three other states have existed without AoA funding.)
- AoA “Model Approaches to Statewide Legal Systems” innovation grants to states have enabled the creation of two new hotlines since 2006. Up to four more may be established as a result of the latest round of grants. But Model Approaches funding, meant mainly to promote state involvement in and statewide coordination of senior legal services (not direct service) is only temporary.
- In recent years, seven hotlines have had to shut down. Others are experiencing severe instability as states slash funding, foundations cut back and the first rounds of Model Approaches grants end.

Senior legal hotlines provide advice and help with legal matters to seniors with no place else to turn, saving public and private resources!

For example:

- A senior who gets solid advice and help with a power of attorney and advance health care directive today will be far less likely to require a guardianship/conservatorship in the future, thereby avoiding court costs, court-appointed attorneys.
- A grandparent is assisted to establish a stable household with neglected grandchildren, keeping them out of the foster care system and making it much more likely that the children will avoid encounters with the criminal justice system in the future.
- Helping to preserve the homes and other modest assets of low-income seniors enables them to remain independent for as long as possible, minimizing the need for publicly funded assistance and making it more likely that those assets will be passed to the next generation.
- When an abuser strikes, causing an elder physical, psychological or financial harm, the senior is quickly linked to services and resources to ensure her/his safety and end the abuse or exploitation.

SENIOR LEGAL HOTLINES GET RESULTS!

- Hotlines provide legal information, advice and other services in about 100,000 cases/year;
- The average cost of hotline services is only \$97 per case;
- 87% of seniors found the services helpful and said they would recommend it to others.

TEN REASONS TO SUPPORT STATEWIDE SENIOR LEGAL HOTLINES

1. As the senior population undergoes unprecedented growth, hotlines are a proven, effective and economical way to provide valuable services to those in need, coordinating with local senior legal services programs where they exist to make their work more efficient and vastly expand the number of seniors who can get help.
2. Hotlines are popular: Clients want the ease of advice and assistance by phone and are satisfied with the services and assistance hotlines provide. In each of six recent surveys in six states, seniors told interviewers that a free legal hotline is the most desired legal service.
3. Hotlines get results; outcome studies show that many legal problems can be successfully handled with help from hotlines; 84 percent of clients say they would call the hotline again.
4. Hotlines catch and resolve legal problems early, avoiding the need for more costly intervention later via lawsuits and courts. Some offer mediation services to promote early dispute resolution.
5. Hotlines provide an additional avenue where seniors can report physical, emotional and financial abuse and learn what steps to take to protect themselves or others.
6. Hotlines provide efficient means of screening callers to ensure they receive the benefits and services they need, as access to many programs involving prescription drugs, health insurance, pensions and home health care programs grow more complex.
7. Senior legal hotline advocates view the client holistically. They can understand the full range of issues from the facts the senior tells them and know the full spectrum of solutions available.
8. Hotlines can help in times of disaster or crisis by providing a point of entry for people with legal issues or questions. At this time, many are devoting extra efforts to helping thousands of seniors avoid foreclosure and find ways to remain in their homes – a critical factor in preventing unnecessary institutionalization.
9. Hotlines make a difference in the lives of our elderly neighbors. They give every senior access to justice, regardless of advanced age or income.
10. Hotlines save public resources by helping clients prevent legal problems before they occur and ensuring that elders can remain as independent as possible.

The National Association of Senior Legal Hotlines (NASLH) unites advocates from statewide senior legal hotlines, facilitating the sharing of relevant information to strengthen the role of statewide hotlines in protecting the legal rights of seniors and increasing legal resources available to older Americans.

NASLH contacts:

Bruce Bower, Texas, Advocacy Director, bbower@tlsc.org
 William Benson, Policy Adviser, tbcg@starpower.net
 Karen Buck, Pennsylvania, kbuck@seniorlawcenter.org
 Shoshanna Ehrlich, Technical Assistance Specialist, sehrlich@ceraresource.org
 Cheryl Feuerman, Connecticut, cfeuerman@connlegalservices.org
 David L. Mandel, California, Chair, dmandel@lsnc.net
 Catherine McConnell, West Virginia, Board Member at Large, seniorlegalaids@yahoo.com
 Keith Morris, Michigan, Treasurer, kmorris@elderslaw.org
 Michael Benvenuto, Vermont, mbenvenuto@vtlegalaid.org
 Sue Wasserkrug, Pennsylvania, Vice-Chair, swasserkrug@SeniorLAWCenter.org
 Margaret Schaeffer, Nebraska, Secretary, mschaefer@legalaidofnebraska.com

Background for legislation to establish a national program of Senior Legal Hotlines

- 1) **Legal hotlines (helplines) for seniors have a proven track record of highly effective and efficient service** to address legal needs and resolve legal questions and problems before they escalate into costly disputes that can clog courts and tax public resources. They have yielded impressive outcomes at a low cost for older Americans, their communities and the country as a whole. In 2007, senior hotlines in 21 states and D.C. (those contributing data for the national annual report) handled more than 112,000 phone calls and more than 67,000 cases, serving almost 55,000 households. And with adequate funding nationwide, the potential is much higher. The average cost for providing the free service was extremely economical (about \$70 per case).
- 2) **This outstanding productivity has been achieved with high levels of client satisfaction.** In a recent survey, 88 percent of respondents found the advice they received from their legal hotlines helpful, and 84 percent said they would call the hotline again on another matter. Moreover, a hotline is the legal service seniors want most. In a 2004 legal needs study conducted by the Utah Department of Aging, 69 percent of older respondents listed a legal hotline as the most needed service – and that in a state where none exists. Similar results have been found more recently in other states where hotlines do perform their work.
- 3) **Legal hotlines have helped to make legal assistance more readily available to seniors.** They are an important vehicle to reach those older Americans who are reluctant to contact attorneys and those for whom access by phone or Internet from home is the best or even only option. Coordinating services synergistically with Local Providers (where they exist), hotlines also complement other Older Americans Act-funded services such as health insurance counseling, pension counseling and long-term care ombudsman programs in a mutually beneficial manner. Moreover, they provide an excellent medium for screening seniors for a variety of public benefits programs.
- 4) **Legal hotline attorneys, including hundreds of volunteers mobilized from the ranks of retirees, provide a wide range of valuable services,** including document review, legal forms preparation, drafting simple contracts, engaging in mediation, negotiation and other forms of advocacy to resolve client problems. When seniors need more help than a hotline can provide, the hotline staff help make sure they get it from an appropriate source.
- 5) **The legal hotline model provides a powerful ally to seniors in preventing fraud and abuse.** Seniors can call a hotline for guidance before they enter into a transaction they may later regret. The hotline provides an additional avenue where seniors can report abuse directed toward themselves or someone else and discuss courses of action with an attorney. Most recently, the foreclosure/predatory lending crisis is hitting older Americans particularly hard at the same time that they are increasingly being urged to consider reverse mortgages as a means to meet potential needs for long-term care. Senior hotlines deliver on-time legal advice to seniors facing the decision of whether to enter into a reverse mortgage, and timely intervention when possible on behalf of those having to deal with threats of foreclosure or its aftermath.
- 6) **The Medicare prescription drug program has presented seniors with new questions,** many of which require knowledge of Medicare laws and appeal rights. At the same time, major changes in Medicaid and in the fast-evolving health care system generally present huge

challenges. Seniors in states with hotlines have easy access to expertise and assistance. Seniors in states without hotlines need this access as well.

- 7) **Collaboration is a watchword for senior legal hotlines.** In many states, hotlines have stepped forward to lead or complement the work of State Units on Aging to create training opportunities, publicize best practices and promote greater coordination among Local Providers and others. Nationally, meanwhile, senior legal hotlines have taken the initiative to communicate among themselves toward sharing experiences and best practices – in newsletters and e-mail discussion groups and at national conferences, where the more experienced programs provide mentoring and encouragement for those just getting started.
- 8) **The statewide legal hotlines program has been extraordinarily effective by any standard,** providing legal information, advice and assistance to help seniors avoid and resolve legal problems. The need for legal services for older Americans will grow substantially in the years ahead, as our population continues to age and live longer.
- 9) **Amid all these successes, however, the lack of stable funding has left many statewide senior legal hotlines struggling to stay afloat,** far from reaching their potential in providing service – and in too many instances, having to cease operations. The federal funding stream that previously supported approximately 12 hotlines at a time has been redirected to state units on aging to improve statewide coordination of legal assistance for seniors – a worthy goal, but one that will be much more achievable if stable hotlines exist as crucial anchors for such efforts.
- 10) **For a tiny fraction of a penny per day per senior, Congress can provide access to justice for older Americans** – a place to turn especially for those on fixed incomes who are being squeezed by rising costs for transportation, food, utilities, and health care. A nationwide legal hotline (helpline) program, adequately funded for every state, is absolutely essential to assure that this cost-efficient, productive, desired, and successful program is readily available to older Americans throughout the country.



Proposed amendments to the Older Americans Act: 2011 reauthorization

NASLH, c/o Elder Law of Michigan, Inc., 3815 West St. Joseph Street, Suite C200, Lansing, MI 48917

Synopsis:

The following adds a new section (216) authorizing a national network of senior legal hotlines, to operate as part of statewide “integrated legal assistance delivery systems,” which are now being established in many states under the Administration on Aging’s “Model Approaches” program. The proposal adds this term to the definitions in Section 102 of the OAA; and in numerical order by section, it makes several other minor adjustments necessary to incorporate the new Section 216.

SEC. 102

(The following subsection to be numbered among or after the 54 existing definitions in this section of the act)

(XX) The term “integrated legal assistance delivery system”—

(A) means a collaborative, statewide network established to provide legal assistance, targeted at older individuals with greatest economic and social need, in the most efficient and impactful manner possible; and

(B) includes—

- (i) The Legal Assistance Developer;
- (ii) All legal assistance programs funded under this Act;
- (iii) A statewide senior legal hotline;
- (iv) Law school elder law clinics;
- (v) Programs that recruit private attorneys and other legal professionals to provide pro bono legal assistance to seniors;
- (vi) LSC-funded legal aid programs;
- (vii) Other nonprofit agencies that provide legal assistance to older individuals;
- (viii) Local, regional and statewide mechanisms that coordinate work among the direct legal assistance providers enumerated in subsections (ii) through (vii) and other service providers engaged in helping ensure elder rights, including but not limited to Area Agencies on Aging, Aging and Disability Resource Centers, Long-Term Care

Ombudsman programs, pension counseling and assistance programs, benefits counseling programs, Medicare counseling programs (SHIP/HICAP), Senior

- (ix) Medicare Patrol programs, caregiver support programs and elder abuse prevention and victim assistance programs.

SEC. 202. (a) It shall be the duty and function of the Administration to—

...

24. establish and carry out senior legal hotline programs described in section 216;

(existing subsections 24-28 to be renumbered 25-29)

The following Section 216 will be added and cause the current Sec. 216 to become Sec. 217; the reference in existing Section 215(j) will be changed from 216 to 217

Statewide Senior Legal Hotlines

Sec 216.

(a) DEFINITIONS.—In this section:

- (1) ELIGIBLE ENTITY.—The term “eligible entity” means a nonprofit corporation dedicated to providing free legal assistance to indigent or otherwise disadvantaged groups that has—

(A) a proven record of operating an existing senior legal hotline; or

(B) the capacity to provide legal assistance to older individuals through a new statewide senior legal hotline.

- (2) LOCAL SENIOR LEGAL ASSISTANCE PROVIDER.—The term “local senior legal assistance provider” means a program or group that provides legal assistance to older individuals in a geographic area within a State, receiving funds under section 321(a)(6) of the Older Americans Act of 1965 (42 U.S.C. 3030(d)(6)).

- (3) STATEWIDE SENIOR LEGAL HOTLINE.—The term “statewide senior legal hotline” (known in some states as “helplines” or by other names) means a statewide program designed to provide information, counseling, assistance, advocacy and other services as appropriate in each state, by telephone and other means of communication on a broad range of legal issues, at no charge, to older individuals.

- (b) AUTHORIZATION.—The Assistant Secretary shall provide grants to eligible entities to establish and implement statewide senior legal hotlines in each State to provide legal assistance on a broad range of issues by telephone and other means of communication to older individuals, and to supplement such hotlines already provided by eligible entities.

(c) ELIGIBILITY.—

(1) **APPLICATION FOR GRANT.**— In order to receive a grant under this section, an eligible entity shall submit to the Assistant Secretary the following:

(A) **PLAN REQUIRED.**— A plan to establish or continue operation of a statewide senior legal hotline that —

- (i) provides for a sufficient number of appropriately trained attorneys, paralegals, other staff members, and volunteers to ensure effective delivery of information, counseling, assistance, advocacy and other services as appropriate in each state, regarding all legal matters.
- (ii) collaborates closely with the state unit on aging, state legal assistance developer, area agencies on aging and local senior legal assistance providers throughout the state, to maximize coordination and cost-effective division of responsibilities in delivery of legal assistance to seniors,
- (iii) strives to maximize coordination in the delivery of legal assistance with all elements of the state’s integrated legal assistance delivery system, as defined in Section 102 of this Act.
- (iv) builds effective communications with all parts of the state’s aging services network, system of long-term care, Medicare, pension, housing and benefits counselors and others to provide mutual assistance and referrals.
- (v) establishes mechanisms to make referrals for representation and other assistance beyond the hotline’s scope to local senior and general legal aid agencies, private attorneys and any other senior advocacy and assistance programs, individuals or entities, as appropriate.
- (vi) conducts outreach through the state’s aging network and by other means to inform eligible clients about the availability of the hotline’s service, targeting especially older individuals with greatest economic and social need.

(B) **MATCHING REQUIREMENT.**— An assurance that the eligible entity is able to provide, from non-federal funds, an amount equal to not less than 25 percent of the cost of establishing and implementing a statewide senior legal hotline. An eligible entity may use in-kind contributions to meet the matching requirement under this subparagraph.

(C) **OTHER INFORMATION REQUIRED.**— Any other information the Assistant Secretary may require, including an assurance that staff members and volunteers have no conflict of interest in providing the services described in the plan submitted under subparagraph (A).

(2) **DETERMINATION OF ELIGIBILITY.**— In selecting grant recipients under this Act, the Assistant Secretary shall consider the following:

(A) **EVALUATION OF PLAN.**— The extent to which the plan submitted by the applicant meets the requirements of paragraph (c)(1)(A).

(B) **OTHER CONSIDERATIONS.**—

- (i) POPULATION NEED.—The needs of the population the applicant seeks to serve and its understanding of those needs;
- (ii) PROGRAM LITERACY.—A familiarity with the history of senior legal hotlines and published literature on best practices in the operation of such hotlines;
- (iii) INSTITUTIONAL KNOWLEDGE.— Knowledge an applicant new to operating legal assistance hotlines has gained from operating other successful hotlines or similar programs.

(d) ALLOCATION OF FUNDS.—

(1) The Assistant Secretary shall allocate, from the amount appropriated under this Act, to each grant recipient in each State—

(A) an amount not less than \$100,000 per grant recipient in any fiscal year;

(B) for states in which the population of older individuals exceeds 2 million, not less than 5 cents per eligible resident, calculated using the most recent census data available;

(2) If the amount appropriated under this Act is insufficient to provide grants to all eligible applicants at the minimum amounts defined in paragraph (1), the Assistant Secretary shall provide grants to those eligible applicants it finds to be the most qualified.

(3) If the amount appropriated under this Act exceeds what is needed to provide grants to all eligible applicants at the minimum amounts defined in paragraph (1), the Assistant Secretary shall increase the grant amounts on a pro rata basis up to 10 cents per eligible resident for states in which the population of older individuals exceeds 1 million.

(4) No more than 5 percent of the amount appropriated for a fiscal year for this section may be used by the Assistant Secretary for administrative expenses, except that such amount shall not exceed \$200,000 in any fiscal year.

Authorizations Of Appropriations
(formerly Sec. 216)

SEC 217.

...

- (d) STATEWIDE SENIOR LEGAL HOTLINES.—There are authorized to be appropriated to carry out section 216, such sums as may be necessary for fiscal years 2012, 2013, 2014, 2015, and 2016.

SEC. 306 Each Area Agency on Aging designated under section 305(a)(2)(A) shall, in order to be approved by the State agency, prepare and develop an area plan for a planning and service area for a two-, three-, or four-year period determined by the State agency, with such annual adjustments as may be necessary. Each such plan shall be based upon a uniform format for area plans within the State prepared in accordance with section 307(a)(1). Each such plan shall—

...

(2) provide assurances that an adequate proportion, as required under section 307(a)(2), of the amount allotted for part B to the planning and service area will be expended for the delivery of each of the following categories of services—

...

(C) legal assistance provided as part of an integrated legal assistance delivery system.

SEC. 307 (a)(11) The plan shall provide that with respect to legal assistance—

...

(C) the State agency, with the leadership of its Legal Assistance Developer, shall promote and maintain an integrated legal assistance delivery system to furnish legal assistance to older individuals within the state, targeting those with greatest economic need and those with greatest social need. This shall include promoting the use of low cost service delivery systems such as senior legal hotlines, law school clinics and pro bono programs. The Legal Assistance Developer shall guide the establishment of case priorities and targeting efforts to ensure that the integrated legal assistance delivery system is maximizing the efficiencies and impact of the available resources. The State shall also provide technical assistance and training for the integrated legal assistance delivery system to enhance the furnishing of legal assistance to older individuals, especially to those with greatest economic need and those with greatest social need.

The National Association of Senior Legal Hotlines (NASLH) unites advocates from statewide senior legal hotlines, facilitating the sharing of relevant information to strengthen the role of statewide hotlines in protecting the legal rights of seniors and increasing legal resources available to older Americans.

NASLH contacts:

Bruce Bower, Texas, Advocacy Director, bbower@tlsc.org

William Benson, Policy Adviser, tbcg@starpower.net

Karen Buck, Pennsylvania, kbuck@seniorlawcenter.org

Shoshanna Ehrlich, Technical Assistance Specialist, sehrlich@ceraresource.org

Cheryl Feuerman, Connecticut, cfeuerman@connlegalservices.org

David L. Mandel, California, Chair, dmandel@lsnc.net

Catherine McConnell, West Virginia, Board Member at Large, seniorlegalaid@yahoo.com

Keith Morris, Michigan, Treasurer, kmorris@elderslaw.org

Michael Benvenuto, Vermont, mbenvenuto@vtlegalaid.org

Sue Wasserkrug, Pennsylvania, Vice-Chair, swasserkrug@SeniorLAWCenter.org

Margaret Schaeffer, Nebraska, Secretary, mschaefer@legalaidofnebraska.com



Senior Legal Hotline/Legal Services of Northern California
444 North 3rd Street, Suite 312, Sacramento, CA 95811
Telephone: (916) 551-2145 □ Fax: (916) 551-2197
www.seniorlegalhotline.org

Client comments from surveys, July 2008 - June 2009

1. It was excellent - Many thanks. (county -- Placer)
2. As soon as I get any finances in order I will make a contribution to this program. Up to this point you have been very helpful to my situation. (county -- Sacramento)
3. I was very favorably impressed with the assistance I received from you. Although the situation was resolved before much action could be taken, Janelle took away the feeling of “helpless and hopeless” that I had before calling the Senior Legal Jotline. Her friendly and concerned attitude gave me confidence that she would do all she could to solve my problem. (county -- Shasta)
4. I am thankful for your assistance, hopefully I will be able to donate in the future. (county -- Sacramento)
5. You were very helpful, thank you I really appreciate your assistance. (county -- Los Angeles)
6. It would be more reassuring if you could advocate in person. (county -- Sacramento)
7. Great advice which we are following and we look forward to favorable outcomes. (county -- Placer)
8. The only negative comment I could make relates to your automatic answering system, which indicated these were four calls ahead of mine, and that I could leave a name and number for a call back. A voice from outer space stated that call would not be returned after 4:00 pm. I was advised not to call back since that would confide in the system. I called on Wednesday 5/21/08 prior noon. Consequently, I felt confident there were only 4 calls ahead of me. (county -- Butte)
9. I’ve never been treated or respected more than your organization did for me. Nikki Griffith was exceptionally nice and really knew her finances and the way she accomplished what she did was truly a blessing for me. (county -- Alameda)
10. Thank you for providing advocacy for the individual, although Northrop eventually came through I had confidence that Hester would help me if they didn’t. (county -- Orange)
11. Thank you so much for your prompt and courtesy. (county -- Sacramento)
12. It may have been even more helpful to have a Spanish speaking member on your staff.
13. The first person didn’t give me that much information, but the second person was very nice and helpful. (county -- Sacramento)

14. Thank you for calling me back so fast. I appreciate your patience as I tried to explain all the events involved with my mother. (county -- Sacramento)
15. Im very grateful for your help, im glad that I have this as an option. (county -- Tuolmne)
16. Very prompt and thoughtful service. (county -- Kern)
17. I had nowhere to turn and you helped, thank you. (county -- Marin)
18. Thank you so much for the help and sample letters. (county -- Alameda)
19. I was handled very well by Gisel Ramirez, whenever she said she would call us, she did. (county -- San Bernardino)
20. You were very helpful an understanding of my situation.(county ?)
21. Ellen was an exceptional representative of your program services she provided us with extensive help. (county -- Tuolumne)
22. Very good service. (county -- ?)
- 23 You were very helpful, I would call again for advice. (county -- Yuba)
24. Since a large portion of this work is performed by volunteers and students, it is understandable that delays can occur. When we are told to expect a call back on a certain date, no one follows up on this, even further delays occur. Good communication by the staff can insure good follow through on the legal matters being reviewed. (county -- Solano)
25. We appreciate your service and to have you to call is a blessing. (county -- Placer)
26. A lady named Jennifer helped me so very much, and is she following up on phone calls and extra advice. (county -- San Diego)
- 27.Upon submitting my letters addressing my concerns, I received immediate response and as of the writing of this note, today I received a phone call to as a follow up to make sure any concerns were completed. (county -- Sacramento)
28. Very helpful, wonderful service and kind. (county -- Sacramento)
29. Thank you so much, you knew the answer to all my questions and explained them so I understood, I am taking the action you suggested. (county -- Tulare)
30. This was the best thing to be able to really talk to someone about our problem and get information and suggestions even beyond our immediate needs. Please do not stop or further retain this program. (county -- San bernardino)
31. Thank you for your help. (county -- Sacramento)
32. I found that the people I talked to were very nice, especially Sherry. (county -- Tulare)
33. A very valuable service, Hester Bryant was very patient and thorough listening to my situation. (county -- Sacramento)

34. I believe I phoned a non-800 number to save the hotline some money on my original phone call but had to be phoned back. (county -- San Bernardino)
35. Very good advice, thank you. (county -- Placer)
36. Please keep up the good work on alluring the fears and suspicions of us very vulnerable old folk, thank god for you telling it as it is.(county Alameda)
37. I am grateful to Manny of the Senior Legal Hotline, he gave good advice and sample letters. (county -- Placer)
38. Kathy Kelly is the person who has helped me, she is delightful to talk to and calms me and my fears when I have needed her help. (county -- Alameda)
39. Kathy Kelly was extremely helpful and knowledgeable. (county -- Alameda)
40. I greatly appreciate the legal advice of Kim Bovee. (county -- Riverside)
41. Robin Basra seemed sincerely concerned and got me in touch with Janelle, who offered mediation, she was very efficient and helpful. (county -- Solano)
42. Nisha Davis and Kathy Kelly are the best and nicest people, thank you. (county -- Sacramento)
43. Make it easier to leave messages to the person working on my case. (county -- El Dorado)
44. Excellent job accomplished by several of your staff, thank you. (county -- Sacramento)
45. It was very nice dealing with younger folks on the phone who understand and can help. (county -- Del Norte)
46. Assistance from Kathy Kelly was superb. (county -- Orange)
47. I was very pleased with the assistance that I received. (county -- Marin)
48. Your service was excellent, don't change. (county -- Calaveras)
49. Call was handled very prompt and precise, very clearway legal side was explained. (county --?)
50. Very polite and helpful. Thank you Manny. (county -- ?)
51. I think its very good that seniors have a place to turn when it comes to legal help. (county -- Williamson)
51. Everyone has been very helpful especially in seeing how I was doing. (county -- Sacramento)
52. Your service is very much appreciated, we are glad that you are here for us.(county. Fresno)
53. Thank you for helping me to be in effect, and sending me sample letters. (county -- Humboldt)
54. Hester Bryant was informative and helpful, thank you. (county -- Sacramento)

55. Hester was very helpful and polite. (county -- ?)
56. It's a great program, I greatly appreciated the advice. (county -- Fresno)
57. Thank you for the help, sample letters, and information. (county -- Merced)
58. It was prompt and very useful, thank you. (county -- Sonoma)
59. Attorney Duane Phillips was excellent, thank you. (county -- El Dorado)
60. Please note that your list of attorneys might be outdated. (county -- Nevada)
61. Excellent help. (county -- Alameda)
62. A great experience with satisfying help. (county -- Santa Clara)
63. Many thanks for your help and for the availability of your services. (county -- Tulare)
64. Andrea was very helpful, thank you for your help. (county -- Tehama)
65. Tom Williamson gave great legal advice and was a big help. (county -- Yolo)
66. Excellent service from Andre Logue, tell her thank you. (county -- San Benito)
67. I thought the gentlemen that assisted me was very helpful. (county -- San Joaquin)
68. I got all the help I would have expected. (county -- San Joaquin)
69. Tom was very helpful, answering all of our questions while protecting us both. (county -- San Mateo)
70. I have not read all of the material, but if I think of something useful I will let you know. (county -- San Mateo)
71. Person was very kind and helpful. (county -- Santa Clara)
72. Great service from Ellen Levy. (county -- Kern)
73. I was so glad you are here to help, believe me when I have money I will donate. (county --?)
74. The service I got was great, Hester was so understanding. (county -- Riverside)
75. Exceptional service and courtesy, very helpful. (county -- Shasta)
76. Kathleen Kelly was very knowledgeable and helpful to us and we wish to say thank you, we will call u for other information or help. (county -- El Dorado)
77. The person who contacted me was wonderful. (county -- Orange)
78. Hester Bryant was very helpful with giving me information.(county – Sacramento)

79. Thank you so much for your help. (county -- Sacramento)
80. The gentlemen that helped me was very good and knowledgeable. (county -- San Bernardino)
81. Great Senior Legal Hotline staff, a special thanks to Ellen Levy who sent me the necessary form along with a sample on how to complete the document. (county -- Sutter)
82. It was such a relief an a big burden taken off me as I am very old, 89 and have so many health problems, thank you so much. (county -- Los Angeles)
83. The advice not only answered my questions, but included some related cautions and issues that I hadn't though of, greatly appreciated. (county -- ?)
84. I am very pleased, Manny did a great job. (county -- Sacramento)
85. Service was very kind and understanding, I got some good advice that I appreciate and will use. (county -- San Bernardino)
86. You did a great service for me, I followed all of your instructions and because of this all my fears were laid to rest and I was able to care of my situation. (county -- Sacramento)
87. Michelle resolved the best action for me to take during one day and several phone calls, she was very professional and most efficient. (county -- Los Angeles)
88. Hester Bryant was exceptional, informative and friendly, thank you all for your help. (county -- ?)
89. Everything was fine, thank you very much. (county -- ?)
90. Thank you very much for your help, rite now I can not afford a donation. (county -- Sacramento)
91. Im very grateful for your assistance. (county -- Humboldt)
- 92 I was impressed with the professional courtesy and helpful advice that was given. I am very motivated tp pursue a course of action. (county -- Santa Clara)
93. Your service is great, I shall tell all my senior friends about senior legal hotline. (county -- Orange)
94. Our recent telephone introduction was well handled by you, this form and others were received the next day. (county -- Sacramento)
95. Your office was not only helpful but prompt, courteous, and kind, thank you. (county -- Los Angeles)
96. You helped me so much, it was wonderful to get this service. (county -- Sacramento)
97. Laura Byrd was quite helpful in assisting me in better understanding and resolving my issues. (county -- Sacramento)
98. Excellent advice and help, thank you.(county ?)

99. A valuable service and even more valuable follow up information. (county -- San Joaquin)
100. I was so happy to find you in action with St. Mercury, I wouldn't have known where to turn. I am happy to enclose \$50 to your agency and thanks to the attorney who explained the situation to me.(county – Santa Clara)
101. Thank you for the legal assistance you provided. Your perspective as well as attention to detail were very helpful. We also appreciate your following up with us throughout the settlement process, best wishes to you and the others at the senior legal hotline as you continue to provide this important service. (county -- Sacramento)
102. Disappointed, your service was not able yo help me with my problem. (county -- ?)
103. This was my first contact with the senior legal hotline, Mr. Joe Montoya handled the situation rite away and successfully. (county -- Fresno)
104. Thank you, Im glad that you are there for seniors.(county – ?)
105. Paul Valentine was a blessing and the only pro attorney that understood the complex matter underlying this case and he cut it to the quick. Thank you very much. (county -- Tulare)
106. He did not make me feel like I was taking up to much of his time, it was a relief to talk to someone regarding this matter, thank you for being there for me and other seniors. (county -- Tulare)
107. Attorney helped me with a suggestion to write a letter of objection stating my reasons for refusal to rent my trailer when I am not using it, I wrote a letter but haven't got a response. (county -- Sacramento)
108. You are wonderful for us low income people, thank you so much. (county -- Lassen)
109. Service provided by Duane Phillips went far beyond our expectations, he was extremely clear and helpful in explaining legal situation pertaining to my mom and her particular circumstances, thank you so much. (county -- Marin)
110. Thank you very much for all of your help. (county -- San Bernardino)
111. Your service was very good and handled my situation with care. (county -- Los Angeles)
112. Thank you so much for the work you have done.(county Santa Clara)
113. This is the second time I have used your service, I am very appreciative that you are there for us seniors. (county -- Sacramento)
114. I wish there we free attorneys that could give advice for 30 min. (county -- ?)
115. The services facilitated by Hester were much appreciated, these services carry a fresh taste of promise to individuals like myself. (county -- Nevada)
116. I am satisfied, your senior services are great. (county -- Orange)

117. They were very nice and helpful, I couldn't have asked for more, the lady that helped us was very kind and helpful. (county -- Calaveras)
118. Save your money by not sending donation requests except to prime and affordable members. (county -- Yuba)
119. Unable to obtain help about getting food stamps. (county -- Los Angeles)
120. A great help to talk to someone about a problem I never thought I would have. (county -- Sacramento)
121. So very helpful, kind, and knowledgeable. (county -- Sacramento)
122. I was very pleased to have your help and would recommend to a friend. (county -- Sacramento)
123. Thanks for the great service and thanks to Duane Phillips for all your help. (county Marin)
124. Wonderful service, very pleased and I wish I could help with money however I survive on just S.S. sorry. (county -- Santa Clara)
125. It can't be improved upon as far as I'm concerned. (county -- El Dorado)
126. Service was great, although I have a second question, I was told I would get a call back in twenty minutes? (county -- Shasta)
127. It was perfect, corporation of Earthlink is refunding the disputed charges. (county -- Santa Cruz)
128. We are just very grateful that you are available. (county -- ?)
129. The congress of the United States has grants for institutions like yours. (county -- San Bernardino)
130. Hart Senior center meeting place is a good spot to have it. (county -- Sacramento)
140. Did not know of your services, I got your number from Martinez law library when I called for legal laws on the book for me. (county -- Alameda)
141. All services, phone calls office visits, they were all perfect. (county -- Santa Cruz)
142. Thank you for your help, it will make an enormous difference in our quality of life. (county -- ?)
143. Jim Pervis' comments and advice were very helpful, I appreciated the service. (county -- Yolo)
144. Prompt, courteous, and to the point. You didn't help me but I got my question answered. (county -- Sacramento)
145. This matter is serious to me so I would suggest I sit down face to face with you. (county -- Sacramento)
146. Service was very expedient and accurate, thank you so much for the help. (county -- Los Angeles)
147. This matter is not handled yet and I hope we receive the same person we consulted initially. If not, I hope we receive the same quality as we did before. (county -- Sacramento)

148. Very good service, thank you. (county -- Los Angeles)

149. Millie was extremely courteous and helpful. Duane took all the time necessary to answer my questions and offer advice. (county -- Stanislaus)

150. Thank you for the quick response time. The small amount enclosed reflects my financial situation, and I had to cancel my Cobra coverage, no funds. (county -- ?)

151. Phone service wasn't responsive, so I had to email questions but that service isn't very good. (county -- ?)

152. Kerry was a great help, thank you. (county -- Placer)

Supervising Attorney

David Mandel

Staff Attorneys

Kathleen Kelly
 Sheri Newman
 Mona Badie
 Justin Freeborn
 Michelle Satterlee
 Ralph Livingstone
Of Counsel



California Senior Legal Hotline
444 North 3rd Street, Suite 312, Sacramento, CA 95811
Telephone: (916) 551-2145 Fax: (916) 551-2197
www.seniorlegalhotline.org

A HUD-Approved Housing/Reverse Mortgage Counseling Agency

Staff Paralegals

Tom Williamson
 Kim Bovee
 Gisel Ramirez
 Laura Byrd
 Brian Scaccia
 David Madriz
 Manny Randhawa
 Ellen Levy

Mediation Director

Janelle Snyder

California Senior Legal Hotline is a special program of Legal Services of Northern California, a nonprofit law firm with offices in Auburn, Chico, Eureka, Grass Valley, Redding, Sacramento, Ukiah, Vallejo and Woodland

Recent Cases of Successful Foreclosure Intervention

Senior citizens in California have been especially hard hit by the nationwide housing crisis. During this unprecedented collapse, they constitute one of the most vulnerable classes of citizens in most need of protection, as they have been the targets of predatory lending and mortgage rescue scams designed to steal the equity that has accumulated in their properties over decades. At the same time, they are typically less able than younger homeowners to develop additional income, while expenses for needed health care, in-home help, repairs on older homes, etc., compound the problem.

In 2008-2009, the California Senior Legal Hotline (SLH) handled 538 foreclosure-related cases. The demand for help from senior citizens in our state far exceeds capacity, and the examples below illustrate the degree to which foreclosure counseling combined with legal assistance at SLH can make a difference in the lives of those most susceptible to abuse by unscrupulous mortgage brokers and others. In the examples listed here alone, foreclosure counselors at the hotline were able to reduce principal balances by \$837,535 and monthly payments by \$5,937.

The nonprofit, HUD-approved counseling agency status of SLH makes its continued functionality all the more critical to the effort against further decline in the nation's housing market. This is because the fewer nonprofit, HUD-approved agencies out there, the more rescue scam operations that will crop up and infect the field of housing counseling services. SLH provides invaluable services to the elderly at no cost to them, while loan modification companies, especially those that operate illegally, charge thousands of dollars up front and do not guarantee any satisfactory results.

Selected cases as of January 2010

P.R.G., Santa Maria (80-08-18256):

P.R.G., 68, contacted the California Senior Legal Hotline (SLH) after his home was sold in foreclosure and he was a week away from being physically evicted. A foreclosure counselor at the hotline helped the client obtain a stay of execution in the eviction case and then got it set aside. The foreclosure counselor contacted the bank that had foreclosed and explained that the client's wife was diagnosed with a life-threatening illness, rendering them unable to move out of their home without extreme hardship. Over the next eight months, the foreclosure counselor successfully negotiated the rescission

of the foreclosure sale and then a settlement with the bank whereby the client, by now widowed after his wife's death, obtained a reverse mortgage in the amount of \$85,662, which the bank accepted as payment in full of the previously outstanding balance, \$484,069. This amounted to a principal writeoff of \$398,407, 82 percent of the balance that was due. The client has kept his home and will no longer have any mortgage payments while he remains in his home the rest of his life.

A.R., Sacramento (80-09-00959)

A.R. contacted SLH after her husband died. They were making minimum payments on an option ARM. HomeEq, the loan servicer, initially refused to modify the principal and would grant only a five-year reduction in interest. It would then rise and become fixed at 8.875%. HomeEq ultimately agreed to defer \$200,176 in principal to the end of the loan term, leaving only current payments on \$83,329, and modifying the interest to 4.875% for five years followed by 1% annual increases until the rate reaches what the market rate will be at that time -- on condition that SLH also helped A.R. transfer the property into her name.

C.W., Oroville (80-08-18531)

C.W., 62, contacted SLH after her home was foreclosed upon in August 2008. A foreclosure counselor negotiated with the lender to rescind the sale of the property and place it back into her name. He then negotiated a loan modification that reduced the principal balance from \$43,800 to \$20,000, reduced the interest rate from 9% to 5% and increased the loan term from 10 to 20 years. The lender also agreed to waive arrearages and fees totaling \$5,982. As a result, the client is able to stay in her home and her monthly payments have been reduced from \$425/month to \$132/month.

F.S., Rio Dell (80-08-05528)

After falling seven months behind on her mortgage, F.S., 78, called the California Senior Legal Hotline, where a foreclosure counselor negotiated a repayment plan with her loan servicer that would have her make three standard monthly payments, at which time the servicer would consider her for a loan modification. The client made her first payment as scheduled, but then her loan servicer went out of business, assigning the servicing rights for her loan. The new servicer sent the client payment coupons to be included with her future payments. These payment coupons indicated that the amounts due were the same as under the repayment plan with the previous servicer. Instead of honoring the arrangement with the previous servicer, however, the new servicer foreclosed on the property. The foreclosure counselor called the new servicer and negotiated a rescission of the sale two days after it took place. The new servicer agreed to honor the repayment plan, and the client made her final two payments. The new servicer then offered a loan modification in which the principal balance on the loan was reduced from \$299,176 to \$169,536. In addition, the interest rate was fixed at 6.44% for the life of the loan. As a result, the client's monthly payment was reduced from \$1,787 to \$1,065. She is now able to continue living in the house she's called home for the last 30 years. The case was covered by AARP's on-line news journal.

F.M.B., Exeter (80-08-12413)

F.M.B., 84, contacted SLH after her home had been foreclosed upon. Prior to this, her two sons died within five months of each other and she could no longer afford the \$2,100 monthly mortgage payment with her fixed income. The highly predatory loan, originated by Countrywide, had been taken on by Fannie Mae, which contracted with a local realty agency. After the foreclosure, the locks on the client's home were changed and the client was locked out before any legal eviction proceedings were ever initiated. Many of her possessions remained inside. Formal eviction proceedings had begun and a resale to a new owner was pending when a foreclosure counselor at the hotline, with cooperation from local attorneys with Central California Legal Services and Kings-Tulare Senior Legal Assistance, helped the client regain possession of her home by having a locksmith change the locks on the doors and re-enter the premises four months after the lockout. A press release spurred newspaper and TV coverage. As a result of these efforts, the eviction proceedings were put on ice, as was the pending sale. SLH continues to negotiate with Fannie Mae in an attempt to save the client's home; it has been proposed that the proceeds of a reverse mortgage that the client could obtain be accepted as a short

refinance of the original loan. The case has been covered by the Fresno Bee, Wall Street Journal and Visalia Times Delta.

L.H.M., Sacramento (80-08-09056)

L.H.M., 61, contacted SLH after her Sacramento home was damaged in the severe rainstorm of January 2008. Her main source of income at the time was a child care business, which had to be put on hold until her home could be repaired because it was now unsafe for children. As a result, the client lost nearly all her regular income and fell behind on her mortgage payments. A foreclosure counselor at the Senior Legal Hotline assisted by negotiating a loan modification whereby the client's interest rate was fixed at 5% and her monthly payment was lowered from \$1869/month to \$1121/month. The foreclosure counselor also facilitated the release of homeowner's insurance funds being held by her lender pending payment of the mortgage. This enabled the client to begin repairs on her home.

A.B., Sacramento (80-08-16127)

A.B. contacted SLH after her home had been foreclosed upon. She informed a foreclosure counselor that a representative of her loan servicer told her that she could prevent the foreclosure from taking place if she paid them \$4,000. The client did so, but the foreclosure took place anyway.

The foreclosure counselor contacted the new servicer of the loan, because the servicing rights had recently been transferred. The counselor then discovered that although the property had been foreclosed upon, the foreclosure had been rescinded because representatives of the new servicer realized that the foreclosure had been done by mistake during the period when the servicing rights were being transferred from the previous servicer. The counselor then negotiated a loan modification whereby the interest rate was reduced from a variable 9% to a fixed rate of 6%, reducing the monthly payment from \$2,465 to \$1,987.

T.C., Sacramento (80-08-03339)

T.C., 69, contacted SLH because she could no longer afford to make her monthly mortgage payment after her son stole a substantial portion of her savings. A foreclosure counselor negotiated a loan modification with her lender, whereby the interest rate was reduced from 8.34% to 5.5% fixed. The monthly payment was reduced by \$936, from \$3,124 to \$2,188, enabling the client to stay in her home of 20 years.

K.&H.G., Los Molinos (30-07-03297)

After working with a couple for nearly a year and a half, trying to make their mortgage more affordable, the Chico office of Legal Services contacted SLH for assistance. The clients are disabled and have substantial medical bills. A foreclosure counselor at the hotline negotiated a loan modification whereby the lender reduced the interest rate from a variable 8% down to 5.585% fixed for the life of the loan. This reduced the clients' monthly payment from \$1,566 to \$1,233, enabling them to afford their mortgage while paying medical bills and other expenses.

P.G., Roseville (80-08-03312)

P.G., 62, contacted SLH because she could no longer afford her monthly mortgage payment of \$1,963. She said that a predatory mortgage broker told her not to worry that the monthly payment was so high, because she could use the cash-out she received to pay it for a few months before refinancing because her home would then be worth more. But the housing market began to decline, and the client could no longer afford the payments. The client was desperate to keep the home, as it has been in her family for more than 50 years. A foreclosure counselor at the hotline negotiated a loan modification whereby the client's interest rate was reduced to a fixed 6.5%, lowering her monthly payment from \$1,963 to \$1,767. With this new payment and a new job for her husband, she is able to afford to keep the house.

F.B., Sacramento (80-08-16391)

F.B., 90, contacted SLH because she lost half of her household's income when her son lost his disability benefit. As a result, F.B. fell two months behind on her mortgage and was on the brink of foreclosure. A foreclosure counselor at SLH assisted her in obtaining a 6 month forbearance with Indymac Bank, whereby her payment was cut in half. After the 6 month forbearance period expired,

the foreclosure counselor assisted her in applying for a loan modification. After being denied a loan modification three times, and an appeal to the office of the Chief Operating Officer of OneWest Bank (owner of Indymac), F.B. was offered a short-payoff of the mortgage balance through a reverse mortgage. F.B. obtained a reverse mortgage in the amount of \$130,000 and Indymac accepted this as full satisfaction of the \$306,000 mortgage debt. F.B. will now have no more mortgage payments as long as she lives in her home.

A.M.H., Carmichael (80-08-06456)

A.M.H., 71, met with a foreclosure counselor at SLH at a workshop held in West Sacramento. She explained that she suffered from diabetes, rheumatoid arthritis and emphysema, which caused her to be hospitalized several times and placed on an oxygen machine, leading to higher medical expenses. As a result, she could no longer afford her monthly mortgage payment of \$2,262. The foreclosure counselor negotiated a loan modification whereby the lender offered a fixed rate of 5% for the life of the loan, reducing the monthly payment from \$2,262 to \$1,782.

M.P., Lancaster (80-08-07689)

M.P., 62, contacted SLH two weeks prior to the scheduled foreclosure sale of her property. A foreclosure counselor at the hotline was able to negotiate a special forbearance for the client while he attempted to reach a satisfactory resolution to address the client's mortgage delinquency. As a result, the lender postponed the foreclosure and has now offered to accept a short payoff of the loan through a reverse mortgage of \$79,000, reducing the amount owed by \$61,000 and enabling the client to live in her home the rest of her life.

P.&O.D., Sacramento (80-08-13948)

P.&O.D., 69 and 88, respectively, contacted SLH after they had been scammed out of at least \$181,000 by a fraudulent contractor who offered to renovate a home they had purchased and planned to occupy because of their increasing difficulties navigating the stairs in their two-story residence across the street. The clients called the hotline because the city was threatening to fine them for code violations in the home, which had been left a mess by the scammer. The hotline was instrumental in getting the facts to the police – and getting the attention of law enforcement and the State Contractors License Board – resulting in the arrest of the perpetrator. Meanwhile, however, the values of both homes had plummeted and the clients could not afford the imminent increases in their adjustable rate mortgages, taken to finance the renovations. A foreclosure counselor at the hotline negotiated with their lender for a workout whereby the clients were given a three-month forbearance period in which no payments were due, followed by a loan modification in which the interest rate was reduced to a fixed 5% for five years and would then adjust to 6.1% for the remaining term of the loan.

The clients were also facing problems with the mortgage on their second home. The same foreclosure counselor negotiated with the lender on this mortgage and obtained a forbearance period of six months in which no payments were due, and thereafter a loan modification in which the interest rate would be reduced to 4.5% for 6 months, followed by an interest rate of 6.75% for the next four years.

These two loan modifications will result in savings to the clients of \$9,136 over the next five years, not including interest, and will enable them to remain in their home despite the criminal acts perpetrated on them by the fraudulent contractor.

TV news and print media (Sacramento Bee) coverage of the case brought an outpouring of help to the victims from volunteers who helped repair the damage and complete the renovations.

I.W., Lancaster (80-08-07425)

I.W., 72, contacted SLH when she could no longer afford her adjustable rate mortgage payments. Her husband had suffered an aneurism that prevented him from working, and she was suffering from heart disease, which prevented her from working. Her interest rate was 11.75% before a foreclosure counselor at the Senior Legal Hotline negotiated a loan modification reducing her interest rate to 6% for three years and reducing her monthly payment from \$293 to \$181.

V.D., Wilseyville (80-08-03646)

V.D., 62, contacted SLH five days prior to the scheduled foreclosure sale of her home, which unlike most such scenarios these days, had \$100,000 in equity. A foreclosure counselor helped the client find a bankruptcy attorney who could help her and provided the relevant information that enabled the attorney to file the bankruptcy on behalf of the client, postponing the foreclosure sale. The additional time that this allowed for the client resulted in her brother discovering that she was in danger of losing her home, and he paid off the mortgage for her.

R.D., Sacramento (80-08-11327)

R.D., 62, contacted SLH after falling behind on his mortgage. This had happened because after signing up and being approved for his servicer's "Skip-A-Payment" program (allowing borrowers to skip one month's payment, with that payment being added to the principal balance and capitalized), the servicer refused to accept subsequent payments because it considered the client delinquent for the month that he skipped. A foreclosure counselor at the Senior Legal Hotline assisted the client in applying for a loan modification, but after four months and two separate denials by his servicer, the situation was not looking good. The foreclosure counselor, viewing the denials by the servicer as unfair based on the financial information the client provided, wrote a letter of appeal to a senior vice-president of the servicer. The letter detailed the extremely difficult and frustrating experience of navigating through the servicer's loss mitigation process (which included months of waiting and different information from different people within the same department). In response, the senior vice president contacted the foreclosure counselor, who negotiated a loan modification for the client in which the principal balance of the mortgage was reduced by 20%, from \$243,440 to \$194,752. In addition, the interest rate was reduced to 2.25% for five years, followed by a step-up to 2.875% in year six, 3.5% in year seven, 4.125% in year eight, 4.75% in year nine and 5.375% in year 10. From year 11 onward the rate will be fixed at 6.5% for the remaining life of the loan. This reduced the current monthly payment by 40%, from \$1100 to \$660.

R.S., Sacramento (80-08-08231)

R.S., 69, contacted SLH after receiving notices from her servicer alleging that she was delinquent on the mortgage for her home of more than 46 years.. The seriously disabled the client had become a victim of predatory lending; she was promised a 5% interest, fixed-rate mortgage that would result in lower monthly payments than she was making at the time. What she got was a negatively amortizing, option adjustable-rate mortgage that soon resulted in higher payments than those she was making at the time she refinanced. Due to the predatory nature of the loan, a foreclosure counselor at the hotline contacted the servicer to inquire about how much the alleged past-due amount was, as well as propose a settlement offer. The settlement proposal involved the client obtaining a reverse mortgage, the proceeds of which would pay off a substantial portion of the current loan, though not the entire amount. (Forgiveness of the difference would be required of the servicer to avoid a lawsuit for fraud.).

The servicer failed to respond to the written request made by the foreclosure counselor on behalf of the client, to find out how much the past-due amount was on her mortgage. In addition, no decision was ever rendered on the client's settlement offer of a short-payoff of the loan through a reverse mortgage. While the servicer was supposedly considering the offer and looking into the client's written inquiry, the foreclosure sale that had by this point been scheduled was postponed on three separate occasions. A fourth postponement was promised, but the servicer foreclosed anyway on the client's home of 46 years in October 2008. Ten days later, the bank filed suit in state court to evict the client from her home. On the day before the eviction hearing, the client filed for bankruptcy. Then Sacramento Senior Legal Services, LSNC/SLH's legal representation program for the elderly in the Sacramento region, agreed to represent the client in a lawsuit for wrongful foreclosure, fraud, elder abuse and other claims within the bankruptcy court.

Within a month of filing the lawsuit, the client again offered to settle the dispute by obtaining a reverse mortgage to pay off a substantial portion of the fair market value of the property in what would now be a repurchase of her home. Accepting this proposal would mean a potential loss for the bank of about \$25,000. Instead, the bank has chosen to hire a law firm in Southern California to fight a legal

battle in Sacramento that has now continued for more than six months, as the bank has dragged the elderly, disabled the client into five different courtrooms, before six different judges, shopping for a forum most favorable for its interests. It is clear that the bank has spent far more on attorney fees and costs than it would have lost by accepting the proposal the client made six months ago, not to mention expending valuable court resources and taxpayer money. (The bank is a TARP bailout assistance recipient.)

M.C., Concord (80-09-01033)

M.C., 71, contacted SLH after she had fallen behind on her mortgage payments and was defrauded by a mortgage rescue scam company in Southern California. The client paid this company \$2,300 up front, supposedly for help getting a loan modification. The company contacted her servicer, but failed to obtain a loan modification that would be affordable and sustainable for the client. The company then refused to refund the \$2,300 that was paid for services not rendered. When the client contacted the hotline, her home was scheduled for a foreclosure sale in 13 days.

A foreclosure counselor at the Senior Legal Hotline contacted the servicer and explained the client's situation, stressing that she fell victim to a foreclosure rescue scam and as a result fell further and further behind on the mortgage but now was working with the hotline, a nonprofit, HUD-approved housing counseling agency. The servicer offered a three-month forbearance plan during which she would make monthly payments equal to the current amount due each month, after which the client would be considered for a loan modification. The client began this plan, and in the meantime the foreclosure counselor searched for a higher authority with the servicer. He reached a vice president and was able to secure a loan modification whereby the interest rate was reduced to 2% (with interest-only payments) for three years, stepping up to 3% in years four through six, followed by 4% in years six through eight. The interest rate will remain fixed at 4% with fully amortizing payments for the remaining 30 years of the loan beginning in year nine. This resulted in a current monthly payment reduction of 42%, from \$2,866 to \$1,667, allowing the client and her family to remain in their home.

The foreclosure counselor also assisted the client by researching the history and activities of the rescue scam company that defrauded her. He found that the company had changed its name after receiving numerous complaints, and was now doing business with the same telephone number at a different location. The foreclosure counselor sent a letter to this company on behalf of the client, demanding a full refund, only to receive a response stating that the company that she dealt with is not the same and no refund is due to her. The client is now pursuing a lawsuit in small claims court to recover the \$2,300 that she paid for loan modification services that she never received.

L.H., Sacramento (80-09-15619)

LH, 68, a foster parent of three, was getting Section 8 rental assistance when her landlord lost possession of her home in a foreclosure sale. L.H. contacted SLH after she received notice of a default eviction judgment against unnamed occupants after the servicer failed to serve her a summons. The attorney for the servicer refused to set aside the judgment, and the sheriff locked L.H. out of her home. SLH drafted court papers for L.H. to file, then negotiated with the servicer and its attorneys. After extensive negotiations, the parties drafted a stipulated agreement that allowed L.H. to return home for 60 days, vacated the judgment against her and give her \$4,500 for relocation expenses.