

THE AMERICAN DREAM OR NIGHTMARE

Seeking a better life, Fatma moved to the US from Turkey in 1985. It's been a bumpy road. Even after two failed marriages, this mother of two remains optimistic and hopeful. Hard-working and entrepreneurial, Fatma opened a Turkish restaurant in the mid-90's. It didn't go well, and she filed for bankruptcy; then she opened a second restaurant that catered to Tufts students and it went much better.

Unfortunately, in 2001, Fatma was diagnosed with breast cancer. She decided to sell the restaurant and then bought her house in 2003. She got a first mortgage with Fremont Investment and a second mortgage with the seller of the house. Her lender, Fremont Investment, has since then reached a \$10m settlement with the state's Attorney General for its predatory lending practices. A local broker and others "helped" her find the house and the money. She now knows they were acting in their interest, not hers. The experience has ruined her financially.

As a first-time homebuyer, Fatma did not realize that a home inspection was standard. The broker discouraged it and said it would just take more time. Later she discovered that there many serious structural problems with the house, which were probably there from the start – she's spent about \$100,000 on replacing all major systems and more, and the house still needs thousands of dollars of foundation and other work.

In 2008, Fatma applied to her loan servicing company for a loan modification and was declined twice. In March 2009, Fatma contacted CNAHS to ask about President Obama's program. Since then CNAHS has been helping her to resolve the loan. In the summer of 2009, she was diagnosed with a recurrence of her breast cancer and began undergoing further treatment.

As of October, 2009, CNAHS is still helping Fatma find a solution to her mortgage problems. She may sell the house for less than she owes (a "short sale") or she may eventually be able to work again and modify her payments. In addition to working with her and her lender to find a solution, CNAHS also found local agencies to make her kitchen functional so she can cook again, get a washer and dryer, help with bills and apply for benefits, contact the Attorney General's office, and find a volunteer lawyer to review her case. Fatma doesn't know what the future will hold, but she's slowly starting to trust in the goodness people once again.



**Cambridge Neighborhood
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Cambridge Neighborhood Apartment Housing Services, Inc. (CNAHS) is a 501(C)3 non-profit housing corporation working to provide affordable housing in multi-family dwellings.

In 2008, we rose to meet the challenge of providing free foreclosure prevention counseling to distressed homeowners in Cambridge, and then expanded to four other neighboring towns.

To continue this important work, CNAHS depends on the public's generosity. Donations are greatly appreciated.



Clients counseled by phone or in-person: 45
Additional individuals spoken to by phone -55

"I heard about CNAHS when I got their letter in the mail. When I sought counseling, I had a very high interest rate and an adjustable rate mortgage, which was due to increase within a year. CNAHS staff was highly professional and dedicated to me the customer. They recommended a modification plan, did all the negotiations and monitoring of the modification process. Due to the CNAHS staff assisting me to negotiate my mortgage I received a great interest rate that I am very satisfied with. I already referred my neighbor with a similar situation to CNAHS for help"

Homeowner in Arlington

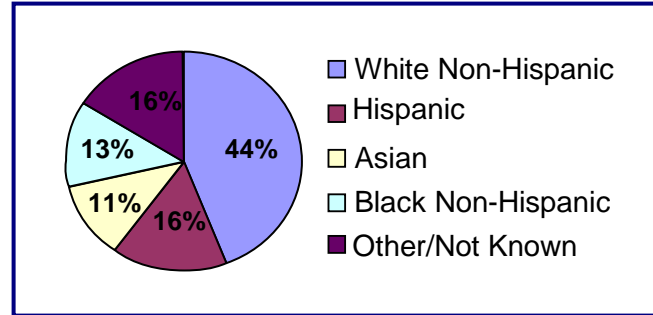
CLIENT DEMOGRAPHICS

Average age: 50
 Marital status: single 38%, married 62%

HOUSEHOLD DEMOGRAPHICS

Average household size: 3
 Family (vs. individual homeowner): 78%
 Multi-family residences (2 or 3 units including owner's unit): 36%

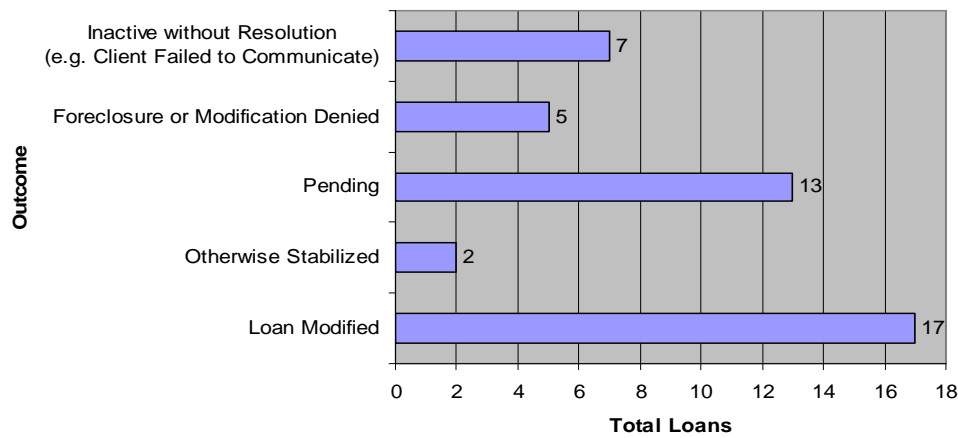
RACE



"A friend referred me to CNAHS for foreclosure prevention counseling since as a result of an illness, I lost my job. My wife's income was not sufficient to support myself and two sons, therefore we fell behind on our mortgage payments. We are new immigrants and English is not our native language. We also didn't know the related mortgage policies, and didn't have much funds to pay for any type of help. CNAHS helped us a lot. They helped us negotiate with the banks, assisted by referring us to legal services, gave us valuable suggestions and so much more. CNAHS saved us and our family. I would highly recommend CNAHS to others. They really provide all the help to people in need".

Homeowner in Belmont

LOANS OVERVIEW



LOANS MODIFIED

Loans modified: 40% (17 of 45)

Of loans modified, average loan was **REDUCED** \$1319 or **44%** or from \$2941 to \$1622.

Of the loans modified, the average interest rate was **REDUCED** from 8.35% at intake to 5.5% at modification

"I called the Attorney General at the State House and they referred me to CNAHS for assistance, since my communication with the mortgage company was ineffective. CNAHS staff was the mediator and enabled communication to improve vastly, staff guided me through the entire process. Because the CNAHS staff helped me, the mortgage company provided me with a fixed rate that was more than acceptable. CNAHS staff made me think positive even though the situation seemed insurmountable to me at the time".

Homeowner in Arlington

"I called 888-995-HOPE line and they referred me to CNAHS for free foreclosure prevention counseling. I was behind on my mortgage and my interest rate was going from 8.7% to 11.5%. Option One told me that this was the best they could do for me and I could afford a \$3300.00 monthly payment. CNAHS staff kept negotiating with Option One. They helped me with my financial statement, hardship letter, and the submission package. Staff kept calling Option One until they got the appropriate person to give us a better deal. My lender gave me a 6.5% rate fixed for 30 years, a monthly payment that will allow me to keep our home. I feel like we won the lottery.

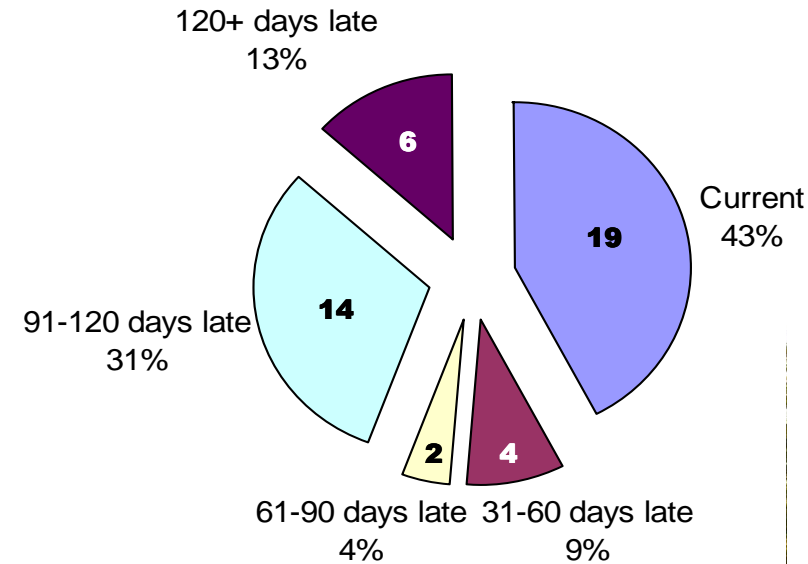
I would recommend others to CNAHS because if it hadn't been for CNAHS, I would have signed the 11.5% loan modification which we could not afford because that was the only option that Option One gave us and we would have definitely lost our home"

Homeowner in Arlington

"The interest on my first mortgage was due to increase from 10.125% to 13.625% in March 2008. The staff was very good in meeting with me and discussing all the various options available to me. They were also strategic in helping me prepare my hardship letter and compiling all the documents to submit to my lender. As a direct result of getting foreclosure prevention assistance from CNAHS I was able to have my mortgage modify to 7.625 interest from 10.25%. I highly recommend anyone facing their mortgage interest adjusting or falling behind on their payments to call CNAHS. The staff offers excellent service".

Homeowner in Cambridge

STATUS OF FIRST/PRIMARY MORTGAGE



"I accepted an offer from my bank for a lower interest rate. Again, I can't thank CNAHS staff enough for their help! The staff should feel proud they helped one more person in dire need. GRACIAS!"

Homeowner in Cambridge

City of residence and average % Average Median Income (AMI) (by city and aggregate):

CITY	%	AVG AMI (%)
Arlington	5	11%
Belmont	1	2%
Cambridge	11	24%
Somerville	22	49%
Watertown	6	13%
TOTAL	45	71

THE FACE OF FORECLOSURE

"We were experiencing financial difficulty, and our mortgage payment was about to increase to over five hundred dollars a month and we would not have been able to handle this extra payment. We called 1-888-995-HOPE and they referred us to Cambridge Neighborhood



Apartment Housing Services... Thanks to the CNAHS staff's concern, help and hard work, our new loan terms are affordable due to a 2% interest rate reduction and a \$600 monthly savings."

Dorothy & Irvin Prescod, Somerville Homeowner



Listen to the full story on NECN.com (Oct.18'08)

<http://www.necn.com/Boston/Business/Mass-family-manages-to-avoid-financial-free-fall/1224292905.html>