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### Testimony of Escrow Manager of the Ticor Title Company, Amble

Brenda Amble

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My name is Brenda Amble. I am the escrow manager of Ticor Title Company. I have been employed in the title industry since 1968. During that period of time it has been my pleasure to assist thousands of people in achieving the American Dream of owning their own home.

When the market changed in 2006, I saw Ticor Title Company shrink from 4 offices with 88 employees to 1 office with 16 employees. We have also experienced several pay cuts with no furlough days given for reduced pay. There are many other companies and industries that have been affected in this way as well. There are several title companies in the area that have gone out of business in the last few years. In my entire career I have not seen a title company go out of business before this financial crisis. So many people have either lost their jobs or taken major pay cuts, and no longer have the ability to continue to pay their mortgages at the high interest rates. Now many of these people are struggling to keep their homes and many more have been lost to foreclosure.

When the stimulus money became available it was indicated that some of these funds would be available to help the distressed homeowners to modify their loans and help them keep their homes. We have heard story after story from people that have tried to modify their mortgage. In one instance, a young couple was expecting a baby in October and the husband was laid off from his job. So in May, long before they were behind in payments, they applied for a modification. They were told to call back after she had the baby and was on disability. So after she had the baby and they called back they were told that they needed to be three months behind in their payments before they would be considered. So they stopped making their payments and tried again. They were requested to send in several items of paperwork to help get "qualified". They did this on three separate times, because they were told the packages were never received or misplaced. That was in April of this year, as of today they are still in "Review". This is what they are told every time during their weekly calls to check the status. So in short they were required to ruin their credit in order to apply to modify a loan they had already qualified for.

During this time period the lender had started foreclosure proceedings and even scheduled a sale date. Although from what we have heard any foreclosure proceedings are supposed to be postponed completely while in the modification process. Obviously this is not the case. The borrowers have been able to have the sale date postponed due to the "modification review". However, in the event the modification is denied they will have less than two weeks to bring the loan current and pay all the foreclosure fees which are a substantial amount. On the flip side, if the modification is approved, the lender can add all fees and payments to the end of the loan and re-amortize the loan which will make the monthly payments INCREASE rather than decrease. At that point the homeowner will have to decide whether it is worth it to send to the lender thousands of dollars on a home that is no longer worth what they paid for it, and also increase their monthly payment.

What is wrong with this picture? Ruin your credit, so they can increase the payments? That hardly makes sense. Why does it take so long to approve a modification? Why do you have to qualify for a lower interest rate when you were already qualified for the loan at the higher rate? What government program requires you to ruin your credit before they will consider helping you. We are hearing this same story over and over again. It appears that this modification program has fed the foreclosure

market instead of stopping it. Where did the stimulus money go and who did it actually help. We are not hearing about the people that have been helped by this program.

Another option for the homeowner is a short sale. This program allows the borrower to sell their home at market value, and the existing lenders accept the proceeds from the sale. Unfortunately the short sale lenders will also require that your payments be delinquent before they will consider the short sale. This is a tedious and time consuming process. Although there are many successful short sales, there are also many that end up being foreclosed. In many companies there are no communication between the short sale department and the foreclosure department and many homes are foreclosed before the short process can be completed.

Bakersfield Economy:

In the month of July, homes for sale increased 49% for the same period last year. However, the home closings decreased 19%.

New home sales have dramatically declined with the expiration of the federal tax credit, a 44% decrease from the same period last year. Overall sales are down 21%.

With the increase in inventory (approximately 3.5 months) and the decrease in sales, this will tend to place downward pressure on prices which to date had seemed to stabilize.

Distressed properties continue to be the majority of the transactions accounting for 68.5% of the market: i.e.

REO: 49%

Short Sales: 21.6%

Market: 31.5%

Delinquencies and foreclosures started a trend last month with a year over year decrease in all categories; however the Bakersfield unemployment rate is 15.9%, putting pressure on whether or not this trend will be sustainable.

Our open orders at Ticor Title have decreased 42% from 2007 to 2009. Our orders year to date have decreased 7% from the same period last year.

