



DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND

July 13th 2009

I am writing in testament of G-II and Lori. Like so many other military members across the country, we were well under water due to the deteriorating housing market in Arizona. We contracted to build our home 25 July, 2006 and closed 15 March, 2007. The purchase price was \$335,000 including \$50,000 in builder incentive upgrades to customize the house throughout. We financed 100% of the loan in an 80/20 mortgage. After receiving a new assignment in December of 2008, we began to investigate options.

We decided renting the house was not an option we were willing to pursue due to the Phoenix rental market. Our payments were roughly \$2200 a month not including property management, and we could not get more than \$1200 a month in rent. We could not re-finance the house with no equity and were not willing to put more money into the house. We could foreclose but did not want to take that course and ruin our 700+ credit scores, so the short sale was our only option.

The transaction began February 09, 2009 9:23:34 AM and concluded July 02, 2009 11:37:00 AM. Both loans were "purchase money loans". We were NEVER late, NEVER missed a mortgage payment, and NEVER missed any payments on any of our other credit obligations. It wasn't until mid-March that we had a serious offer and meaningful dialogue began with either lender. At the end of the day, the Sr. lender, Wells Fargo settled their debt for \$.60 on the dollar. Wells Fargo completely discharged the debt and released the lien and did not require us to participate in repayment of any portion of the deficit. The Jr. Lender, JP Morgan Chase, settled their debit for \$.20 on the dollar, part of which was paid by Wells Fargo. We acquiesced to the JP Morgan Chase requirement to pay \$10,000 at the time of closing in exchange for a full discharge of debt and release of the lien. In total, Lori & G-II negotiated a full discharge of debt and release of both liens for \$10,000 on a \$170,000 deficit. We don't fully know the impact of this transaction on our credit scores but suspect an 80-100 point hit over the next year which isn't much for military personnel who can take advantage of renting or living on base for an assignment.

We are relieved to be out of our house for such a small price. We know that this process is long and would have been even longer without the professional expertise of Lori and G-II. If you are in the same situation we were, trust Lori and G-II to take you through the long ride of a short-sale.

----*SIGNED*----

PAUL B. WILLINGHAM, Major, USAF
Chief, 56th Operations Group Stan Eval