

OPERATION: SHIFT

SENIOR HOMES IN FORECLOSURE TASKFORCE

March 18, 2008

To the members of the operation HOPE Task Force

My name is Jules J. Dobrowolski, J.D. I am a mortgage lender. I specialize in assisting Florida seniors who are in foreclosure. Toward that goal I started *Operation SHIFT*. It is an alliance of legal aid attorneys, foreclosure counseling services, public officials, and reverse mortgage lenders. Our goal is to rescue seniors who are facing foreclosure. We utilize the federally insured HECM reverse mortgage programs to secure the funds with which to satisfy their delinquent mortgages. In most cases the funds available under the program are less than the balances due. We, therefore, enlist the services of a legal aid or private practice attorney to negotiate with the lender or servicer. Many of these mortgages were originated as sub-prime and/or no income verification loans. The attorneys take the position that the loan, which never should have been made, violates section 494.00791(6) of the Florida Fair Lending Act or other consumer protection statutes. Sometimes this is sufficient to bring the lender to the table. Sometimes it is not. In those instances we enlist the assistance of a local public official to intercede directly with the lender citing a bona fide public interest in preserving our neighborhoods.

I am enclosing a copy of a recent article from the *Wall Street Journal* which illustrates how effective this combination of advocates has been for the seniors of Atlanta. I have been in communication with Mr. William J. Brennan, Jr., the legal aid attorney who has pioneered this "formula". He insists that the success of the program depends upon the enlistment of a public officials and consumer advocates. His number is (404)377-0705 and he welcomes inquiries from attorneys and public officials.

While Operation: SHIFT is experiencing a tremendous amount of success in our goal of rescuing Florida seniors from foreclosure, we can become more effective with assistance in the following areas:

1. Legal aid agencies are an essential part of our senior foreclosure rescue operation, but we are having a difficult time locating attorneys in some regions to whom we can refer our clients. This is especially true in the Miami-Dade area. The number of foreclosures is increasing geometrically, and Legal Services of Greater Miami is unable to take on many of the seniors we have attempted to refer because of staff and budget constraints. We anticipate that this will soon occur in other areas of the state. We therefore ask for increased funding of legal aid agencies earmarked for mortgage foreclosure clients. Pro bono assistance would also be greatly appreciated. An appeal should be made to the Florida Bar. We are also attempting to enlist the help of elder law advocacy clinics of our law schools.

2. In order to facilitate the ability of counsel to negotiate short payoffs on behalf of our senior clients we have contacted Assistant Attorney General Scott Palmer and asked him to initiate suit similar to that filed by the Attorney General for the state of Massachusetts against Fremont Investment and Loan. A similar decision and moratorium on foreclosures would provide our attorneys with additional leverage in their negotiations. A copy of an article concerning that decision is enclosed.
3. Operation: SHIFT utilizes direct mail to contact every senior throughout the state who has received a foreclosure notice. Because of recent press concerning “foreclosure rescue scams” many seniors are confused and reluctant to reach out for assistance. They don’t know how to differentiate legitimate foreclosure rescue operations from unscrupulous investors seeking to steal their homes. Moreover, many are embarrassed by their predicament. We are in need of assistance in apprising seniors about their options. Operation Hope should embark upon senior outreach and education by compiling and making public a list of HUD approved counseling services, legal aid agencies, and legitimate foreclosure rescue operations.
4. I understand that Operation HOPE is a state sponsored effort. I do, however, believe that every effort should be made to contact our congressional representatives to support of swift passage of the FHA Modernization Bill. There are many features of the bill that would enable and encourage mortgage lenders to refinance predatory sub-prime loans with FHA forward and HECM reverse mortgages.

In summation, over 400 Florida seniors were served foreclosure papers this week. Many of their homes will become the property of the lenders. These properties will subsequently become vacant because of the current housing market. Lenders and banks are reluctant to accept these short pay offers because of the effect it will have on their balance sheets. The end result is that our seniors become homeless and our neighborhoods deteriorate. I am available to discuss in detail how you might assist us in preventing this from happening, and answer any questions. My number is 727-460-7852.

Thank you for your time and attention.

Respectfully submitted

Jules J. Dobrowolski, J.D.

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