

254 Route 133
Winthrop, Maine 04364

April 10, 2025

To Members of the Judiciary Committee:

My name is Peter Pietroski, and I live in Winthrop, Maine. I am 54 years old and now work for myself as an electrician. I offer this testimony in support of LD 1444.

On July 27, 2007, Francine Fuller and I obtained a mortgage loan to buy a home in Winthrop. Two years later, our lender at the time urged us to refinance our loan to get a better interest rate, so we did. Soon after, I was laid off due to the "Great Recession." Around that time, Francine became disabled and could no longer work.

With our reduced incomes, Francine and I tried but failed to keep up our mortgage payments. We applied to our loan servicer, GMAC Mortgage, LLC ("GMAC"), for a loan modification under the Home Affordable Modification Program, but GMAC rejected our modification request.

Then, in October 2011, GMAC sued Francine and me for foreclosure. In 2012, it dismissed that case for reasons I never learned and without resolving with us the loan default. In July 2013, GMAC sued us again for foreclosure. This time around, we attempted to resolve the foreclosure through a short sale for \$22,000, which means selling the property for less than the mortgage balance with the lender's permission because the home is "under water," i.e., valued below the loan balance. GMAC told us that, with the short sale, it would accept the \$22,000 sale price and write off any remaining loan balance. At that point a new loan servicer came into the picture, Ocwen Loan Servicing, and it told us they would not waive our deficiency and that we would still be personally liable for the loan balance

above \$22,000. Therefore, we decided not to proceed with the short sale. Then, in 2015, GMAC again voluntarily dismissed the second foreclosure case.

In February 2018, another new mortgage owner, WVMF Funding, sued us a third time for foreclosure. I attended Foreclosure Diversion Program mediation and applied again for a loan modification. I was denied a modification again because they claimed the loan arrears had grown too large over the years. Thus, this third foreclosure case went to trial in 2020. We were represented by pro bono lawyer, Tom Cox, and due to his efforts, a judgment in our favor was entered in due to the failure of the loan servicer to provide accurate proof that of the amount due on the loan or proof that it had sent a proper default letter.

Our lawyer then advised us that Maine law held that, due to the bank's loss in this third foreclosure case, that we were not required to make any further loan payments, the loan was no longer enforceable against us, and we owned the home free and clear of the mortgage.

Now the mortgage loan owner is continuing to pursue us for money it claims it is owed on this mortgage even though it lost at the 2020 foreclosure trial. It is claiming that it has the right to continue to try to collect from us due to the January 2024 Maine Supreme Court decision in the Finch case.

We have endured three foreclosure cases over the last 14 years. We've tried to work things out with the mortgage servicers but have been repeatedly rejected. That the mortgage loan owner is allowed to try to sue us still again after all these years and after it lost the last case that went to trial is just intolerable. I hope you will approve this bill so that Maine people do not have to continue to face this kind of treatment by the banks.


Peter Pietroski