

To whom it may concern:

We are writing this letter to explain the extreme financial hardship it will be for our family when our loan adjusts from a 7.75% interest rate to a 10.75% interest rate in August 2008. This interest rate adjustment will cause our payment to dramatically increase in the amount of \$1695 per month on top of our current payment of \$4234.10 increasing the payment to \$5929.10 per month. Our current income does not support an increase of this magnitude. As a matter of fact, a monthly increase of this amount will ruin us financially and within a few short months of this adjustment we will surely fall into foreclosure as we will not be able to afford the monthly payment.

We conducted a counseling session with a woman named Deborah Winston (888-669-2227 x742) from 995-HOPE and submitted a monthly budget where we only have a surplus of \$158 per month after we pay all of our monthly obligations. According to the counselor we are currently utilizing 54% of our monthly income for housing costs which is way above the national average.

My husband, Kevin is the bread winner in the family and his income varies from paycheck to paycheck because of overtime, holiday pay (2 times per year) and uniform allowance. So, sometimes he makes his base pay of approximately \$7839 per month and other times he makes more than that depending on the overtime he works each month. However, overtime is never guaranteed so we cannot depend on the overtime in order to fulfill our monthly obligations.

I am currently receiving Social Security Disability in the amount of \$1435 and am also the payee for our son, Christian in the amount of \$717 per month. Also, I receive a check from Calpers for my disability retirement in the amount of \$829.74.

We would appreciate the opportunity to work out a loan modification where our interest rate will be frozen at the 7.75% interest rate for the DURATION of the loan, if the rate is just frozen for 2 to 5 years we will find ourselves in the same situation in a few short years from now.

Please take the time to review the information we submitted and consider our request. It is very important to us that we keep our account in good standing and preserve our credit rating as well as protect our main asset....our home.

Thank you in advance for your time and consideration in this matter. We are looking forward to working with Option One to resolve this situation. If you have any questions please contact us at xxx-xxx-xxxx.

Sincerely,