

[The Arizona Republic](#)

Peter Corbett

Pat Wozniak is one of the lucky ones.

An equestrian portrait artist, she was in danger of losing her Scottsdale home last year when she fell behind on her mortgage. Negotiating with her lender was failing as she grew weary trying to find someone at the bank who would help her or even return a phone call.

Earlier this year, with assistance from the staff of Rep. Harry Mitchell, D-Ariz., Wozniak worked her way out of the financial corner she had painted herself into.

She negotiated an affordable mortgage payment for her McCormick Ranch condominium and caught up on her payments.

"I got myself into this puddle, so I had to get myself out," she said.

Assistance available

Other distressed homeowners could find assistance at a workshop Saturday on preventing or surviving foreclosure that Mitchell has arranged in Scottsdale.

The event is set for 8:30 a.m. at the Granite Reef Senior Center, 1700 N. Granite Reef Road.

The idea is to offer people help in coping with the housing crisis that has hit Arizona hard, with foreclosure rates as high as anywhere in the country, Mitchell said.

"When I come home (to Arizona), I talk to people who are upset, they're crying and they don't know what to do," Mitchell said.

Workshop participants can meet with housing and finance professionals certified by the U.S. Department Housing and Urban Development. They will offer 30-minute, one-on-one counseling sessions with additional meetings scheduled as needed, said Stacey Langford, Arizona Bankers Association vice president.

Topics include avoiding scams, budget counseling and rebuilding credit.

Mitchell said the recession has been crippling, with hardworking people drifting into uncharted territory financially.

"It's a very frustrating position to be in and it's very demeaning," he said of people losing their jobs, homes and health insurance.

Refinancing troublesome

Wozniak, the Scottsdale artist, was one of those people facing the loss of her home in 2008.

Like many others, she had refinanced her condo several times over a decade, took out some cash, then found herself with unfavorable terms and a mortgage balance that had ballooned by \$50,000.

She bought a two-bedroom, two-bath condo in 1999 for \$116,000. Her payments on a 30-year mortgage at 9 percent interest were \$808.

She refinanced in 2001, filed for bankruptcy and refinanced again in 2003 and 2006.

Details of the new agreements were misrepresented or "glossed over" when she closed the deals, Wozniak said.

Her 2006 deal was a two-year, fixed-rate mortgage at 9.35 percent with payments of \$1,250 and a loan balance of \$140,000. Last February, Wozniak's 28-year adjustable-rate mortgage kicked in and her interest went up to 11.35 percent. The payments jumped to \$1,450, and Wozniak could not keep up.

Trying to negotiate an affordable payment plan with her lender led to one roadblock after another, she said.

At one point, a curt bank employee told Wozniak over the phone: "You need to calm down. You need a time-out."

With that, the worker put her on hold.

Finally, Wozniak was advised by Mitchell's staff to file a complaint with the U.S. Department of Treasury's Office of Thrift Supervision.

It took months, but the bank renegotiated her mortgage with affordable payments of \$804 per month on a fixed-rate mortgage at 9.35 percent for 34 years instead of 30 years.

"I take responsibility for it," Wozniak said of her financial troubles but added that she was deceived and misled by financial professionals she had trusted. "You don't ask the right questions. I didn't know what to ask."