

## **TESTIMONY BEFORE U.S. SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS**

Mr. Chairman & Members of the Subcommittee, thank you for having me here today.

First of all I would like to thank everyone especially my wife and family who have been so supportive the last few years. And, I would like to reach out to the millions of people who have gone through or are currently going through a similar situation.

My name is Wes Wannemacher, and I come from Lima, Ohio. I am married and raising a small family. I wish I could come here and tell you that I've always paid my bills on time, but my goal isn't to convince you that I'm the most responsible adult in the US. Despite these and other faults, I am well liked and respected in my community.

Toward the end of 2001, I had just accepted a higher paying job, and my wedding was approaching. My wife and I wanted to show everyone a good time and have a memorable experience. As a young adult, I really had no idea just how much my wedding would cost. I had applied for and received a credit card from Chase with a \$3,000 credit limit. This was quickly reached after paying for flowers and a photographer. I charged a total of \$3,200 on this card and never charged anything beyond that, I have been trying ever since to pay it off.

Although I was working a new job, living in Columbus was more expensive than Lima. Right away, I could tell I was going to have problems paying this and other debts. Debt seems to invoke a feeling of hopelessness unlike any other problem I've encountered. When a debtor calls you on the phone and you make a minimum payment, you know that you've made no real progress and that in a month, they will be calling again.

From 2002 to 2004, I was able to increase my income. Although big raises and promotions are exciting, in that time period I learned what many adults already know. As your pay increases, your expenses increase as well.

During those two years, I tried to make payments to Chase. I had not asked for a payment plan or any method to resolve the balance, but I made whatever minimum payment they would take when they called. These payments were usually close to \$200. With limited funds in your checking account, you have to prioritize. Since Chase couldn't turn off my lights or kick us out of our home, there were times that their payment would be the lowest priority.

In the last half of 2004, a few events changed my plans for the future. First, my wife left her job because of complications with her pregnancy. Second, my father asked me to move home and help out with the family business.

As 2005 started, we had another baby and we had moved back to our hometown. I realized that my problems with Chase would only get worse unless I took action. Early in 2005, I called Chase and asked if they would take \$3,000 to settle the debt, which, by this point was \$4,600. I offered \$3,000 because it was my original credit limit and I had never gone

much past that. Unfortunately, Chase was not willing to settle for \$3,000. I shouldn't speculate why they declined my offer, but I'd guess that the person on the other end of the phone had a goal to get as much money as possible.

This meant I was back to making payments and watching the balance rise. In 2006, my balance had exceeded \$5,300 and I knew that I needed to make them work with me before I ended up in bankruptcy. I called and asked if there was something they could do to help me. Eventually I was offered a payment plan. The premise of the plan was to payoff the \$2,300 that was past the credit limit. The representative was very clear that once I got the balance down to \$3,000, I would be taken off this plan and the interest rate would go back to normal. At the time, it seemed like a gift. Finally, I could see the balance go down rather than up.

While I was making regular payments between \$140 and \$210 a month, my stepdaughter was enrolled in therapies that were not covered by our new insurance plan and she had her tonsils removed. Before I knew it, I had a very large medical debt. With these offices calling asking for payment, we were quickly overwhelmed. This time, we decided to enroll in a debt management program. In December of 2006, I had gathered up all of the statements from the various companies I owed money to and took them to a credit counselor.

My credit counselor sent proposals to everyone and curiously, Chase was the only creditor who declined her offer. Despite filling out a Power of Attorney, Chase made many attempts to contact me directly. I would instruct representatives who called me on the phone that they needed to contact my credit counselor. Many times they would say things to try to pressure me into making extra payments directly.

Around this time, I saw a news article mentioning Senator Levin and his desire to look into cases like mine. The article mentioned that people who feel they've paid excessive fees and charges should contact his office, so I did.

Over the last few months, I've been contacted by Chase representatives who tried to convince me not to enroll in debt management and asked for direct payments. Finally, in February of 2007, my credit counselor offered Chase a payment plan of \$130 a month for 47 months, totaling \$6,110. Chase accepted. At the same time, I was working with Senator Levin's office, which, after reviewing all of my account information, asked if I would testify here today.

I was asked on a Thursday to testify today, and the following Monday, a representative of Chase called me on the telephone to let me know that they've reviewed my account and decided that they are forgiving my balance. I asked the representative if my plan to testify today had anything to do with their change of heart. The representative told me that their decision was solely based on a review of my account.

I had agreed to come testify because my primary concern is for the future of my own children. I am only here to let people know what happened to me. From September of 2001 to February of 2007, I've paid Chase over \$6,300. If they hadn't *reviewed* my account, I would have paid another \$6,110 on a \$3,200 debt. Thanks again for listening.

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