

**STATEMENT**  
**OF**  
**SONIA PRATTS**

Good morning. My name is Sonia Pratts. I live at 6121 Jackson Street in Hollywood, Florida. I am currently employed as an assistant manager at Senior Resource Center in Pembroke Pines, Florida. I would like to thank you for inviting me here today to tell my story.

Two years ago, my husband Carlos and I began driving through various neighborhoods in South Florida, looking to purchase our first home. Neither he nor I had ever owned a home. It was our dream to have a home of our own – a place large enough for my kids. We were not looking for luxury, but we wanted a comfortable home with no problems. We had been saving for over two years to buy our dream home.

In October of 1997, we were driving through several neighborhoods looking at houses for sale when we stopped at an open house sponsored by ERA Homeland Realty. After we looked through the house, we spoke with the real estate agent. We told him that we really liked the house, but he told us that it was out of our price range, and showed us a second house located at 6121 Jackson Street, Hollywood, Florida. He then introduced us to his boss, Joe Kuruvila, a real estate broker, who told us he would take care of us.

The first time we looked at the house on Jackson Street it was late at night. The second time was during the day, and we could tell it was being worked on. The back room was torn apart, and the front room was a mess, with lots of garbage around. There was a big dumpster full of trash in the front yard. We were concerned about the house because of all the work it needed. We told Joe that we did not want a house that we would have to spend money making repairs on because we were using our entire savings for the down payment. Joe told us that the house had a new roof and was insulated. Additionally, he told us that the entire house would have new windows and new doors, and that the walls would be as good as new. He also told us that we would be able to afford the mortgage payments for the house on our income. We foolishly trusted Joe, and signed a contract to buy the house.

One day after we had signed the contract, my husband Carlos drove by to check on the progress of the rehabilitation work being done on the house. As he approached the house, he saw a code violation notice taped to the house. He went straight to Joe's office and asked him about the violation notice. Joe assured him not to worry, and said that everything would be taken care of before we moved into the house. We did not get a home inspection because of the promises from Joe that the house would be as good as new when we took it over.

Joe recommended that we get our mortgage at Hollywood Mortgage. We followed his advice and, through Hollywood Mortgage, we got a loan with something called a "buydown." I still don't understand exactly what this means, but I do know that we had told Joe about our tight financial situation, and he assured us that under the buydown, we would be able to afford our mortgage payments.

On February 20, 1998, we went to Joe's office for the closing. Present in addition to Carlos and I, was Joe and a representative from the Title company, Gerald Chapman. We did not have a lawyer of our own because Joe told us he would take care of everything. When we finished with the closing, we were very excited. We were homeowners! Little did we know what was in store for us.

We moved into the house in February 1998. Approximately two months later, to my shock, I received a notice of code violations from the City of Hollywood. The violations included lack of permits for windows and the addition to the house. The notice required all items to be replaced or fixed. If we failed to do so, we would face fines of up to \$200.00 per day from the city.

We have had so many problems with the house. It seems to be falling down around us. As you can see from these photographs, the living room walls are in terrible shape. The ceilings are crumbling, and there is termite and water damage throughout the house. Mice and rats enter the house through holes and, because of a lack of foundation, under the addition in the back. The electrical system in the living room is wired wrong. We have sockets that do not work and are not hooked up. I am concerned that this faulty electrical system will cause a fire. The rotted wood in the front room is all that holds the windows in place, and continues to fall apart.

The roof is another story. As you can see from these photographs, the roof is falling down and leaking. It needs to be repaired and insulated. Joe had told us that the house would have a new roof, and in fact I later found out that the roof was listed on the appraisal as new. Believe me, the roof is not new. The roof leaks every time it rains. We also have birds getting into the house, and rats crawling around. We can hear them running around at night.

The appraisal also refers to other repairs that were never done. For example, the appraisal stated that the rotted fascia and soffits were repaired. This was not done. It also said that all debris was removed from the yard. This was not done. Carlos and I worked to clean up all the garbage left behind. From my understanding, the appraisal was used to determine the value of my home. I'm not an expert, but I don't understand how this can be when so many things listed on the appraisal were not true. I also don't understand why I was never given a copy of the appraisal before closing.

After closing, we contacted an engineer to look at the house in the hope that we could fix the problems we were having. The engineer told us that the total cost of repairs would be approximately \$40,000, and that the majority of the house would have to be demolished. When I heard this, I was devastated. We simply don't have the money to spend repairing the house, remedying the code violations we were stuck with, and

making our mortgage payments. Because of this "buy down" mortgage that we were given, our payment has ballooned by more than \$200. I am worried that we will lose the house because we are really struggling to make ends meet.

We later learned that Joe Kuruvila owned not only the real estate agency that sold us the house, but also our mortgage lender and even the house itself. We have also learned that Joe bought the house from HUD in September 1997 for \$44,600, before he sold it to us in February 1998 for \$80,000. In just six months, he nearly doubled his money. From what I can tell, Joe bought the house, made minimal cosmetic repairs, and then sold it to us without disclosing the hidden defects. I trusted him because he told us that he could make our dream of owning a house come true, and he said he would take care of us. Little did I know that he was holding all the cards.

We spent about a year asking Joe to correct the code violations and complaining about the condition of our house. All we heard in response were promises to make things right, but we never saw any action. Although we did not want to involve the courts, we felt we had little choice but to file a lawsuit against him seeking compensation. Our church is paying our legal fees, and the suit is presently pending in Broward County Circuit Court. We have also discussed our problems with the State of Florida.

My life and my husband's life have been devastated. At present, we are just getting by on our paychecks and could never hope to make the needed repairs or pay a fine. My husband and I have been severely damaged by all of this. Our lives are in turmoil, my marriage is deeply hurt, and what was once my dream home is now a nightmare.

I will be pleased to answer any questions the Subcommittee has. Thank you for giving me the opportunity to tell my story.

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