

Testimony  
of

STEKEENA ROLLINS

Good morning. My name is Stekeena Rollins. I live in the Austin neighborhood of Chicago, Illinois, and I teach preschool children.

In mid-1995, my mother, Shirley Rollins, and I read an advertisement in the Chicago Sun-Times that said "Kiss Your Landlord Good-bye." The ad offered rehabilitated homes for sale with low down payments from a company called Easy Life Real Estate System. At the time, I was twenty years old and living on the north side of Chicago in an apartment. Neither my mother nor I had ever owned a home. I was operating a day care business from my apartment, which I was interested in moving to a home setting.

We felt we could afford the down payment mentioned in the ad. So, in June 1995, my mother and I visited the Easy Life office and met with sales agent Peter Sandow. Mr. Sandow told us that Easy Life was offering 100% "rehabbed" homes to first time home buyers through a special government program called FHA. He told us that, through this program, our down payment would only be \$500. He asked us some other questions about our jobs and how much rent we paid. He told us he would get back in touch with us.

About a week later, we had another meeting with Mr. Sandow. He showed us a contract that had no address, and told us that if we signed it he could get the ball rolling. We signed the contract. The price on the contract was \$119,000, but Mr. Sandow told us that it was just a rough draft. This is the price we paid for the house. I have recently learned that Easy Life purchased the house for \$14,000 in April 1995.

He showed us some pictures of homes, and then he took us to see some of them. They were in terrible neighborhoods, surrounded by abandoned houses. We told him that we didn't like the areas these houses were in, and that we wanted to buy a home on the north side so that it would be close to my day care clients. Mr. Sandow told us that Easy Life didn't have any homes for sale on the north side, but asked if we were interested in a home in Oak Park. I thought that my clients would come to Oak Park, a suburb just west of Chicago, so we said yes.

Mr. Sandow drove us to the house he said was in Oak Park. It was visibly fire-damaged and had been abandoned for some time. It was completely gutted, and was under construction. Mr. Sandow told us many parts of the house were too unsafe for us to see, but it looked large, and we thought it would work well for us and for my day care business. When I pointed out to him the crumbling walk way, the holes in the foundation, and the unstable foundation supporting the back porch, he told us again that the house would be totally rehabbed and that everything would be new by the time we moved in. I explained to Mr. Sandow that the first floor would need to be modified to meet state licensing requirements for a day care business. He said that would be no problem. In fact, he even met with a state day care licensing representative to discuss

the requirements for modifying the house. We were very excited and thought our dreams were coming true.

We saw the house again with Mr. Sandow in mid-July. On this visit, we saw the basement for the first time. My mom told Mr. Sandow that we would need another bedroom in the basement. He said it would be taken care of. On the second floor, we saw that the stairs were cut too steep going up into the third floor, and that the ceiling on the third floor was very low. I asked Mr. Sandow if they could change the ceiling so we could use the third floor for bedrooms. I also asked him to fix the stairs so that they wouldn't be such a hazard. He said it would be no problem.

After that, I tried to go back and see the house several times, but the house sitter who was staying there would not let me in. Other times the workmen wouldn't let us in. When we asked Mr. Sandow about it, he told us everything was coming along fine and not to worry.

About a month before the closing, we found out from a family friend familiar with the west side that the house was not in Oak Park as Mr. Sandow had told us. Instead, the house was located in the Austin neighborhood of Chicago. My mother and I were very upset, and confronted Mr. Sandow. He admitted that the house was not in Oak Park, but told us that it was too late for us to back out now.

Before the closing, Mr. Sandow told us that he had found a company that was willing to give us a loan. We met with a gentleman from Dependable Mortgage at Easy Life's office. He told us that all we had to do was fill out some paperwork and everything would be fine. Neither he nor anybody else explained to us that we would have an adjustable rate mortgage. In fact, at the time, we did not know what an adjustable rate mortgage was, and had no idea that our mortgage could increase.

Also, before the closing, my mom asked Mr. Sandow if we needed to do anything else. Mr. Sandow told her that, as part of this special government program, Easy Life would supply a lawyer to represent us, conduct a home inspection for us, and have termite control specialist examine the house. At the closing in September 1995, the Easy Life lawyer gave us a lot of papers to sign, but he didn't explain anything about them. He seemed to be in a hurry, and said he had a boat to catch. We didn't understand everything we were signing, but we trusted the lawyer and signed the papers anyway.

We moved into the house about one week later. I noticed right away that Easy Life had not done the work required for my day care license. When I called Mr. Sandow to complain, he said, "Don't worry, go ahead and move in and we'll work around you." I kept calling and calling Mr. Sandow, but the modifications were never made and I was never able to get my license.

We soon began noticing other problems with the house. As you can see from these photographs, the house has a dangerous furnace which has resulted in numerous instances of overheating and burnouts of the gas regulator, a narrow and dangerous stairway to the basement, an overloaded and leaky roof with three or more layers, a

garage that is leaning severely and is not usable, a damaged ceiling in the first floor bedroom from a constantly leaking toilet, a second floor deck that is improperly nailed through the roof, and poor ceramic tile work that has come loose. Underneath the cheap carpets Easy Life installed were the same burnt wooden floors I had seen when I first looked at the house. In addition, the walkways that Mr. Sandow had promised to repair were crumbling, and the foundation under the back porch was still unstable. The floors in some areas of the house didn't meet the walls, which allowed rain and snow to enter the house. The light sockets sparked and the toilets overflowed.

I complained about ten different times to Easy Life about problems in the house. In response, Easy Life sent some workmen to the house on several occasions. They did some caulking, nailed down the front steps, put a patch on the second floor toilet, and installed a ventilation system in the attic. But, the work they did lasted only for a day or two, and then the problem would come right back.

We've had many other problems with the house since we moved in. The representatives from the gas company have come to the house several times because of leaks in the furnace. They had to disconnect the gas and the piping, which they told us was old and not properly attached. They also told us that the furnace is unsafe. We have seen termites swarming, the plumbing leaks, and the garage is leaning heavily to one side. The windows were improperly installed, and there is no insulation. Instead, cheap new siding was installed over the burned wooden exterior, so cold air comes right through into the house in the winter.

My mother and I have tried our best to make the repairs we can, but we cannot afford to put the kind of money into the house that it needs to make everything right. I estimate that we have spent several thousand dollars of our own money to keep the house from falling apart. We have not been able to keep up with our mortgage payments because they kept going up. Right now, there is a foreclosure case pending against us, and we are afraid of losing our home.

I appreciate having the opportunity to tell my story here today. I will be glad to answer any questions the Subcommittee has. Thank you.