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STATE OF NORTH CAROLINA FILED IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

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WAKE COUNTY, C.S.C.

FILE NO.:

BY

STATE OF NORTH CAROLINA, *ex rel.*
ROY COOPER, Attorney General,

Plaintiff,

v.

THE COMMUNITY MORTGAGE
ASSISTANCE PROGRAM, and
KOY LYNN CHIU.

Defendants.

AFFIDAVITS

In support of the allegations in the State's Complaint filed on September 21, 2012, the State hereby submits the attached affidavits of consumer victims Marie Spann, Kris Aubry, and Teri Noel.

This the 21st day of September, 2012.

STATE OF NORTH CAROLINA *ex rel.* ROY COOPER,
ATTORNEY GENERAL

By: M. Lynne Weaver

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STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

AFFIDAVIT OF MARIE SPANN

I, Marie Spann, being first duly sworn, state as follows:

1. I am a resident of Charlotte, North Carolina.

2. I am unable to work because I am disabled. I receive disability payments each month. My husband is a construction worker, but in October 2010, he was laid off.

3. My husband and I have a thirty-year mortgage with Ocwen Finance. The mortgage has a 7.5% interest rate. We were never behind on our mortgage, and we never missed a mortgage payment. Although we were current when my husband was laid off, I was worried that my disability income and my husband's unemployment benefits would not be enough to keep up with the bills. I thought that someone could help us modify our mortgage to reduce our interest rate, which would lower our monthly payment.

4. In addition to his construction job, my husband cuts grass to make ends meet. In the fall of 2010, when he was cutting grass, he saw information and a flyer about the Community Mortgage Assistance Program (CMAP). The flyer said CMAP helped homeowners modify their mortgages to reduce interest rates and lower homeowners' monthly payments. After talking with my husband, I decided we should meet with CMAP to see what they could do for us.

5. When we met with CMAP, Ms. Koy Chiu assured my husband and me that she could get our mortgage modified. Ms. Chiu explained that she knew she could obtain a modification because she knew "all the tricks of the trade." Ms. Chiu assured us that because she knew "what to say and what not to say," she could get our interest rate reduced to 2%.

6. Based on Ms. Chiu's assurances, my husband and I decided to use CMAP to modify our mortgage. Ms. Chiu told us that CMAP's fee for its modification services was $1500.00. I told Ms. Chiu that we did not have that much money. She told us we could make installment payments of $250.00 per month for six months. If we had not paid the fee, CMAP would not have let us proceed with the process. My husband and I agreed to pay the $1500.00 fee on an installment plan.

7. Over the next six months, my husband and I paid CMAP $250.00 a month for a total of $1500.00. I have copies of the checks CMAP cashed.

8. I submitted bank statements, tax forms, and other paper work to CMAP for our modification, which CMAP sent to our mortgage company.

9. However, Ocwen denied our request for a loan modification. Ms. Chiu told me not to worry and that we could try again. She told us that if we did not succeed the second time, CMAP would refund us $1000.00.

10. After our first modification request was denied, I called CMAP for updates at least once a week. I called for four to five weeks straight but I was unable to reach anyone. Instead, I was forced to leave messages on an answering machine. The one time I managed to reach Ms. Chiu, she told me she had been trying to reach me. She told me she was getting ready to go out of town, and that I just needed to be "patient" with the process.

11. When I went to CMAP's office after not receiving any return phone calls, Ms. Chiu again told me that the process "took time" and that I needed to be "patient," but she assured me everything would work out and that we would get a modification.

12. CMAP has never provided us with progress reports and we have not heard from CMAP in the past six or seven months. Where CMAP's office was is now just an empty store front.

13. My husband and I have continued to make our mortgage payments, but we have not received any modification from our lender as CMAP had promised us. Further, we never received any refund for the $1500.00 we paid to Ms. Chiu and CMAP.

14. We feel like we have been deceived by Ms. Chiu and CMAP. We paid them $1500.00, but we have not received any beneficial services, and our mortgage has not been modified. We could have used this money instead to pay our lender, or for other household bills.

Marie Spann 8-6-12

Marie Spann Date

Sworn to and subscribed before me

This the 6th day of Aug., 2012

N. Michele Carmona

(Notary Public)

My Commission Expires: Sept. 6 2012

N. MICHELE CARMONA
Notary Public
Cabarrus County, NC
My Commission Expires Sept. 6, 2012

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

AFFIDAVIT OF KRIS AUBRY

I, Kris Aubry, being first duly sworn, state as follows:

1. I am a resident of Charlotte, North Carolina.

2. I am a Customer Care Representative for Muzak Holdings L.L.C., and I live with my long-term partner, Teri Noel. I have two mortgages. My first mortgage is an adjustable rate mortgage with Fifth/Third Bank. My second mortgage is with Chase Bank and is a fixed rate mortgage. My mortgage with Fifth/Third Bank was set at an interest rate of 8% but has been lowered to 6%. I believe my fixed-rate mortgage with Chase has a 5% interest rate. In total, I have $200,000 in debt left to pay off.

3. While I have been able to make the monthly payments on my mortgages, I recently experienced a loss of income when I had to take a new position. My mortgage was upside down, and I wanted to see if I could find a better rate and restructure my mortgages.

4. Teri heard about the Community Mortgage Assistance Program (CMAP) on WGIV, a Gospel and Talk Radio station. Ms. Koy Chiu was on the program representing CMAP. CMAP also ran commercials from 12:00 to 1:00 pm on the same radio station. Ms. Chiu and the commercials both said that CMAP could help modify mortgages. In particular, Teri and I were interested in getting a lower, fixed-rate mortgage.

5. Based on what Teri and I heard about the CMAP on the radio, we set up an initial meeting with CMAP at its office, which was in South Carolina at the time. I drove to South Carolina for the first meeting, but Ms. Chiu was not there and cancelled the meeting at the last minute.

6. When Teri and I finally met with Ms. Chiu in CMAP's Charlotte office in the summer of 2011, I asked her if we even qualified for assistance. She assured me that we did. Ms. Chiu repeatedly told us that CMAP had a high success rate when it came to restructuring loans.

7. I asked Ms. Chiu in our initial meeting how long the process would take and she said it was always different, but, that the process normally took around six months.

8. Ms. Chiu said that it would cost $1,000.00 for CMAP to get my loans restructured. She stated that CMAP needed the money to "pay its lawyers" for the modification. I feel certain CMAP would not have done anything for me if I had not paid the $1,000.00.

9. I paid CMAP and Ms. Chiu $1,000.00 in four installments of $250.00 each month during the late summer and early fall of 2011.

10. After four months, I became concerned because nothing had happened. I started asking Ms. Chiu for updates on my modification. She never gave me any definitive answers about my situation. Sometimes she said she was working from home and did not have the file. Other times she said she was in New York. She also would give me the excuse that she was preparing for her radio show. I called her office multiple times from November 2011 to February 2012. I even went to her Charlotte office to try and get information about how the process was going. I probably went to three different locations in Charlotte where CMAP had set up make-shift offices.

11. On January 13, 2012, I finally got in touch with Ms. Chiu on the telephone by using CMAP's 800 number. Ms. Chiu told me that my request for a modification had been rejected by my mortgage company because I was not behind on my mortgage payments. Ms. Chiu said that she needed to re-submit the documents to my mortgage company. Even though

she talked about re-submitting the documents, I did not know if Ms. Chiu had actually submitted anything to my mortgage lender on my behalf the first time around. In fact, this incident confirmed my suspicion that she had not actually done anything for me before I called.

12. While trying to reach Ms. Chiu, I even contacted the radio station, WGIV, which carried the program she appeared on. The radio station told me that I should be receiving weekly updates from CMAP and Ms. Chiu.

13. Over ten months after my initial meeting with Ms. Chiu, nothing had changed with my mortgage, and I had heard nothing from her indicating that any progress had been made. When I finally reached Ms. Chiu by phone, I verbally terminated CMAP's services and told her I wanted a full refund. Ms. Chiu told me that the termination needed to be in writing. I sent CMAP and Ms. Chiu a written letter of termination and a request for a full refund by certified mail. CMAP received the letter but Ms. Chiu has not responded. CMAP and Ms. Chiu have not refunded me the $1,000.00 I paid for their services.

14. I feel taken advantage of by Ms. Koy Chiu and Community Mortgage Assistance Program. I paid them $1,000.00 to modify my mortgage loans, but my loans were not modified and I did not receive any beneficial services.

Kris Aubry June 26, 2012
Kris Aubry Date

Sworn to and subscribed before me

This the 26 day of June, 2012

Jessica B. Alosi
(Notary Public)

My Commission Expires: August 12 2012

Jessica B. Alosi
Notary Public
Mecklenburg County, NC

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

AFFIDAVIT OF TERI NOEL

I, Teri Noel, being first duly sworn, state as follows:

1. I am a resident of Charlotte, North Carolina.

2. I am an unemployed actress and I live with my long-time partner, Kris Aubry. Every week, I receive an unemployment benefits check for $135. In early 2011, Kris had to take a different position at work and his salary was reduced. In looking at our finances, I was afraid that we might be upside down on our mortgage payments.

3. My name is not on our two mortgages. The first mortgage is an interest-only, adjustable rate mortgage from Fifth/Third Bank, and the principal balance is $158,355. The interest rate is currently 3.375%. The second mortgage is with Chase Bank, and it has a principal balance of $33,235. The second mortgage has a fixed rate of 8.625%. I tried to modify the mortgages by myself by contacting the lenders, but it was extremely hard due to all the lingo involved in the process.

4. While at home, I was listening to "Money Talk with Atiya Harris" on WGIV 103.3, "The Soul of Charlotte." Ms. Koy Chiu joined Ms. Harris to talk about the Community Mortgage Assistance Program ("CMAP"). During the program, Ms. Chiu said that CMAP helped get homeowners mortgage modifications. I later told Kris about CMAP and thought that we should talk with them about getting a mortgage modification.

5. Kris and I set up an appointment with Ms. Chiu during the summer of 2011, and she assured us that she could help us get our mortgages modified at lower interest rates. Kris signed a contract with Ms. Chiu and had to pay her $1000.00. She let Kris pay in installments of $250.00 per month for four months. Even though I do not think Ms. Chiu actually ever did

anything to get our mortgages modified, I am certain if we would not have paid her the $1000.00, she would never have done anything. Ms. Chiu implied to us that the amount was due before CMAP would complete the mortgage modification process.

6. I have only met with Ms. Chiu in person twice, but I have tried to contact her multiple times. I have become so frustrated with her failure to do anything to help with our mortgages that I cannot speak with her without become angry.

7. All the terms of our mortgages have remained the same, and CMAP has not obtained any modifications of our mortgages for us. Despite our payment of the full fee and our repeated attempts to contact her, we have not heard anything from Ms. Chiu.

8. Ms. Chiu, as a CMAP representative, always spoke about God and how He would make sure things would work out for us. I did not think someone would mention God's name and then turn around and treat Kris and me so poorly. I was wrong. CMAP and Ms. Chiu did exactly that.

9. I feel that CMAP and Ms. Chiu are targeting the African American community by assuring us that God's working on our behalf and indicating that she is religious, so that we would trust her. It angers me that they are taking advantage of individuals that need help.

Teri Noel 6/26/12
Teri Noel Date

Sworn to and subscribed before me

This the 26 day of June, 2012

Jessica B. Alosi
(Notary Public)

My Commission Expires: August 12, 2012

Jessica B. Alosi
Notary Public
Mecklenburg County, NC