**Mortgage Letter of Explanation**

Late payments dated 12/07 **(and previous)** in regards to current ACME Student Loan –

current balance $23,132

In February 20XX, we consolidated my student loans into one loan payment with XXX, with the terms being8% interest @ $242/month on a “Level Payment Plan.” That payment was more than manageable, and we had absolutely no issues in paying it.

In approximately 20XX, our loan was “sold” to another lender and our obligation immediately increased to $504/month, despite being on the “Level Payment Plan.” When we called to inquire as to the circumstances to this change, we were told that we “had always paid this much” despite having payment coupon books and a loan agreement to the contrary. Daunted, and not knowing our rights as per the Higher Education Act, we struggled to make those payments. My wife sought extra employment and I remained a Reservist in the Army National Guard simply to struggle to make the payments. As our income at that time was approximately $45,000/year combined and our housing costs **(which were very reasonable for the area outside Washington, DC)** were $700/month, it was a losing battle.

Later that year, I accepted a position with the Federal Government for the job stability and higher income. While I was being paid more monthly, we still had such a large amount in arrears that it was almost impossible to catch up. While my income had increased, our housing costs had nearly doubled as well, making it difficult to become current in a timely fashion. All the while, the interest compounded and compounded, of course.

Approximately a year and a half ago, my father, who passed away after a long devastating illness, kindly left me a modest sum of money **(approximately $10,000 after taxes)**. After the funds were “freed” from the estate, in April of this year, I used most of that money to become current with that account, while the rest went to purchase a solid, used, easy-to-maintain vehicle **(rather than obtain another loan for a new purchase)**. Since that period of time, I have made on-time payments on this loan – paying slightly more than what is due and making the payments well before the due date.

Please note that from the time the issues began in 20XX until 06/20XX, I repeatedly called ACME, asking for direction and explanations of the circumstances. On approximately 12 occasions over that time period, I asked for a copy of my promissory note and/or payment history **(as they would not accept my hard copies of our transactions)**. Each time I was told it would be forthcoming. Each time, it was NOT.

In April, after I made the large payment bringing the account current, I stumbled upon a website called “MyFico Forums,” a forum provided to the general public by the creators of the FICO Scoring System. It was there, after asking for advice on dealing with the matter of the exploded payment, that I was directed to call the Department of Education's office and inquire about the legalities of what I was dealing with. I was advised by a Resolution Specialist at the Department of Education that there was indeed an error on ACS's part and was advised to immediately request an audit/investigation from the Ombudsman's Office.

At this point in time **(06/08)**, I was more concerned about my immediate credit scoring situation, and mindful of how long an investigation takes, I instead approached ACME's Resolution Team with the Department of Education's assessment and recommendation, asking for a resolution and credit reporting adjustment in accordance with their findings.

In **(07/08)**, I was notified that there had, indeed, been a problem with our account and that they were unable to discover what had caused it **(guesstimating that the “problem” occurred when the lender sold our account)**.

They were able to provide me with an **(incorrect)** copy of my promissory note – which I accepted – as I did request the loan and I have benefited from the education the loan is for. And lowered my payments from $504/month $199/month, which I gladly accepted. Further, they agreed that because of the problems with the account, they would remove nearly a year's worth of lates.

I honestly cannot stress how difficult this entire situation has been and I apologize for the convoluted explanation – but it is how it occurred. I realize that most would have gone further and ordered a full investigation or prompted a lawsuit, but in the end, after dealing with this situation for over 6 years, we simply wanted it settled. Six years was more than enough.

Sincerely,