We would like to thank you for allowing us the opportunity to further explain our situation in regard to our request that you approve the short sale of our house on 38W050 Tanglewood Drive in Batavia, IL. We are a married couple without children, Gerry 68 and Joanne 63. We have lived and worked in Batavia, IL our whole lives. And we had lived at the Tanglewood residence for twenty years. We now live in Murrieta, CA in a house that we purchased in February of 2011. We want to explain in full detail the situation in which we now find ourselves.

In December of 2010, we decided to move to Southern California. There were several reasons for making that decision. First, in December of 2010 Gerry was notified that he would lose his job as of Jan 15, 2011 (he had worked at his place of employment for over thirty-five years). Joanne had been laid off when the company (Furnas Electric) that she had worked for thirty-five years was bought and then shut down in 2003 by a large multi-national corporation, Siemens. Since 2003 Joanne had not been able to find employment because of physical problems, and we anticipated that Gerry would not be able to find employment after his termination because of his age and health, high blood pressure, heart condition, diabetes and thyroid. He had only managed to remain employed as long as he had because his job required very little physical exertion. From the middle of January 2011, we would have to depend upon Social Security and a small retirement Joanne would be getting from Furnas Electric/Siemens. We calculated that our income would be approximately $4400 per month and expenses for staying in the house on Tanglewood would be $3600 per month (this only included mortgage, insurance, home improvement loan, property taxes, and minimal upkeep, not even repairs to the house, or living expenses of any kind).

Secondly, we made the decision based on our health and the fact that Joanne’s brother and his family, our only relatives, live in Southern California. Joanne had back and neck problems because of her job. These problems became much worse as a result of an automobile accident in 2005. She was rear ended while sitting at a stop light. Eventually, after physical therapy, injections, and pain therapy, she had to have a cervical fusion which required that a titanium brace be inserted into her neck. Even after the surgery, she continued to receive physical therapy and injections and was told that she would probably need another operation. Gerry’s health remained poor. He had had an emergency angioplasty with a stent implant the year before he lost his job. And he was diagnosed subsequently as diabetic. These physical and health problems made it virtually impossible for us to do any of the necessary upkeep on or in the house. Since moving to Southern California, Joanne’s brother and his family have been kind enough to do most of the work at our home, gardening, house cleaning, driving us to and from shopping and taking us to our doctor appointments.

Thirdly, we made the decision based on the belief that our house in Batavia could be sold for at least $400,000 and would sell almost immediately. This belief was based on four factors. The bank, itself, had appraised the market value of the house in 2007 at between $575,000 and $600,000. Then in 2011 the realtor told that we could still get at least $425,000 for the house (which would have paid off everything we owe). And we had invested over $200,000 in the house since we bought it for $250,000 in 1990. The house is in a very desirable area, sits on 2 1/2 acres, has a swimming pool, a large secondary structure, and is 2500 square feet with a full basement. In fact nearby houses have recently sold for as much as $900,000.

Based on these considerations, we put the Batavia house up for sale and bought a home for $275,000 in Murrieta, CA. in February of 2011 and began the process of moving there. We used money from Gerry’s 401K and the severance package he received in January of 2011 (As mentioned previously, Gerry was notified of his termination in Dec 2010 and worked until January 15, 2011) to buy the house. We believed that the move would solve most of the problems that we had considered. We would own a house outright which would significantly reduce our living expenses (property taxes alone for the Tanglewood house are $825 a month compared to $425 a month in Murrieta). We would have some money left in Joanne’s 401K and little left in Gerry’s, at least enough to pay off the credit cards and taxes. We would be near our family and we would be in a better climate. However, things have not gone well since the move.

The house in Batavia has not sold. The reason we have been told is that it has an odor from pets. Subsequently, we hired people to clean all walls, woodwork and cabinets. We also had workers remove and replace the flooring from five rooms and the front entrance hallway. Even after having these things done, the realtor said there was still a noticeable odor, so we had Servicemaster clean and paint all walls, and strip and stain all woodwork. We also had them clean the carpet in the basement and treat one area of the basement. We also reduced the asking price of the house twice during this time period, first from \_\_\_\_\_\_ and then \_\_\_\_\_\_. We spent at least $25,000 trying to fix the odor problem but it still persisted. The realtor informed us that she knew someone who could solve the problem but it would require major reconstruction of the house. The money that we spent on trying to fix the odor problem went onto our credit cards and we do not have the resources to finance significant reconstruction of the house. At this date, which would be December of 2011 our monthly expenses with both houses was $13,102.00 with an income of $4400.00.

Also we both have had serious health problems since we have moved, and thankfully we were close to our family. Gerry has been to the Emergency Room four times; he has been hospitalized twice; he has had to be transported by ambulance two times; and he has visited a cardiologist four times. During a recent cardiac stress test, the cardiologist noticed two more problems that he said needed to be continuously monitored and that may require stints or angioplasty. Gerry has also been recently diagnosed with anxiety and depression and is on continual medication for those conditions. The doctors have said that the causes of these mental health issues are job loss and financial problems. He also continues his medication for his heart condition, high blood pressure and diabetes.

Joanne also had a serious health problem after moving here. After repeated visits to the Emergency Room and visits to specialists, she was finally diagnosed as having a large kidney stone. This required an expensive out patient procedure which was considered surgery and alone cost $33,000. Joanne also continues to take medication for ulcers and should be receiving therapy for her neck. Most of this should have been covered by our health insurance, COBRA. We had chosen COBRA because Joanne (age 63) would not have had any health insurance had Gerry elected to go on Medicare (Joanne cannot get any health care because of preexisting conditions and is still too young to qualify for Medicare). We are paying $1100 a month to keep COBRA. Aetna, our provider, has delayed or refused to pay claims and we were left at one time with $68,000 in unpaid medical bills. At present, unpaid medical bills amount to about $18,000 some of which have been put on our credit cards.

Credit card debt has become an increasing burden since the move. We now have in excess of $150,000 of credit card debt and are making monthly payments of $3,000. The sources of the credit card debt are the cost of moving, a much greater cost than we had anticipated, the attempts to eliminate the odor in the house, health costs and living expenses. Currently health insurance and credit card debt together are only slightly less than our total monthly income.