

THE WASHINGTON FORECLOSURE FAIRNESS ACT HOMEOWNERS MEDIATION PROGRAM

What is foreclosure mediation?

Mediation is a process where the mediator assists the Homeowner and the Lender to reach a fair, voluntary, and negotiated agreement. A mediator is not a judge. Foreclosure mediation programs have proven effective in reducing foreclosures.

Who is covered by the new Foreclosure Fairness Act Mediation Program?

Homeowners are covered if they are in owner-occupied properties and have either: (1) received a Notice of Default *on or before* the effective date of the Act and their house has not yet been sold at foreclosure sale; or (2) after the effective date, have not yet received the Notice of Trustee's Sale. Any lender or servicer who did 250 or more foreclosure sales in Washington during the previous year is covered. The Act is effective on July 22, 2011. The Department of Commerce will administer the Mediation Program.

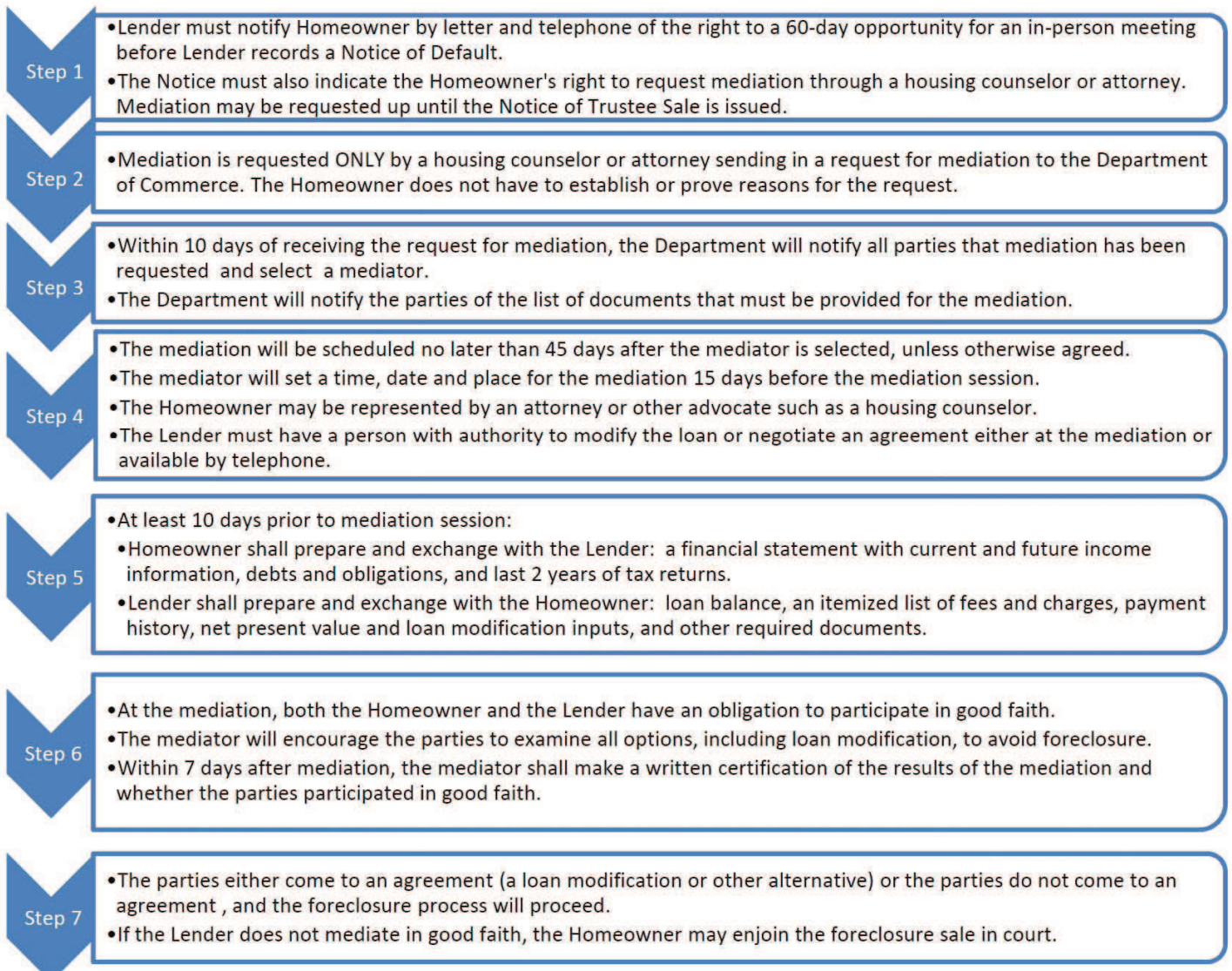
How does a Homeowner request mediation?

Foreclosure mediation can only be requested by a housing counselor or an attorney on behalf of a Homeowner.

How much will participating in foreclosure mediation cost?

The Homeowner and the Lender shall each pay a \$200 fee for the mediation. The fee must be paid prior to the mediation.

Timeline for the Foreclosure Mediation Program.



Department of Commerce

Innovation is in our nature. www.commerce.wa.gov/foreclosures



www.wshfc.org
WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Timeline prepared by Bruce D. Neas, Columbia Legal Services - Made possible by a grant from the Institute for Foreclosure Legal Assistance

Washington State Foreclosure Fairness Act

Reaching Resolutions with Washington's Foreclosure Mediation Program

- The Foreclosure Mediation Program was created during the 2011 legislative session to provide homeowner foreclosure assistance. State law now requires lenders to notify borrowers prior to foreclosure of the availability of foreclosure prevention counseling and the potential for mediation. Foreclosure mediation is intended to provide a non-judicial process conducted by a neutral third party (the mediator) who will assure each party is heard fully and fairly and to reach a resolution if possible.
- Foreclosure mediation begins July 22, 2011. **Homeowners who wish to participate in mediation must be referred by a housing counselor or an attorney.** To participate in this program homeowners should seek housing counseling or an attorney immediately, particularly if they received a Notice of Trustee's Sale before July 22, 2011 and the home has not yet been sold or if after July 22, 2011 the homeowner has not yet received a Notice of Trustee's Sale.
- **Contact a FREE housing counselor** by calling Washington State's homeownership information hotline at 1-877-894-HOME (1-877-894-4663) or visiting <http://www.wshfc.org/buyers/counseling.htm> or <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=WA>. Foreclosure counseling helps homeowners understand all of their options and determine the best course of action.
- **Contact an attorney** at CLEAR, the statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys by calling toll-free 1-888-201-1014 or online at <http://nwjustice.org/what-clear>.
- The notice form to refer borrowers to mediation will be made available to attorneys and housing counselors one to two weeks prior to the program activation date of July 22, 2011.
- Prior to mediation, both the homeowner and lender must pay a \$200 fee for the mediation.
- The mediator will provide a list of documents required of both the homeowner and lender to bring to the mediation for review by the mediator.
- The lender is required to provide a person authorized to make decisions regarding home mortgages for mediation, though that person is not required to be in the room physically.
- Get more information on foreclosure assistance and the Foreclosure Fairness Act Mediation Program at www.commerce.wa.gov/foreclosures, www.homeownership.wa.gov