

## **La Crosse County Foreclosure Mediation**

### **Policies and Procedures**

- 1. Purpose of Mediation Process.** The foreclosure mediation program is designed to reduce the burden of expenses sustained by lenders, borrowers and taxpayers as a result of residential mortgage foreclosures. It is also designed to aid the administration of justice by reducing the number of court cases. The program is aimed at keeping families in homes and to prevent vacant and abandoned houses in La Crosse County.
- 2. Program Administrator.** The Program Administrator shall be responsible for the administration of the La Crosse County Foreclosure Mediation Program and shall be responsible for working with homeowners, housing counselors, lenders and attorneys prior to and after mediation to ensure that all deadlines and completion of the requirements of the La Crosse County Foreclosure Mediation Program are met. The Program Administrator shall be approved and appointed by the La Crosse County Circuit Court Judges. The Program Administrator currently is Western Wisconsin Mediation Services, c/o Amanda Halderson Jackson 201 Main Street 10<sup>th</sup> Floor, La Crosse, Wisconsin.
- 3. Mediators.** Mediators shall be selected from a list approved by the La Crosse County Circuit Court Judges and as set forth in the Local Court Rule 504. A mediator shall not mediate a matter that presents a clear conflict of interest. A clear conflict of interest includes when any relationship between the mediator and the mediation participants or the subject matter of the dispute compromises or appears to compromise the mediator's impartiality. A mediator shall not be involved in any capacity other than mediator in any case to which the mediator is assigned. A mediator may not use any information obtained during the mediation process for any purpose outside of mediation unless required to do so by law. The Program Administrator shall be able to act as Mediator.
- 4. Fee.** The total fee for participation in the La Crosse County Foreclosure Mediation Program by Homeowners and Lenders is Three Hundred dollars

(\$300.00) (“Application Fee”) and is non-refundable. One Hundred Fifty dollars (\$150.00) of the Application Fee shall be paid by the Homeowner at the time of application and One Hundred Fifty dollars (\$150.00) shall be paid by the Lender or Lender’s Counsel. The Program Administrator shall invoice Lender’s counsel upon receipt of the application for mediation and payment shall be due within ten days of the invoice date. One Hundred dollars (\$100.00) of the Application Fee shall be retained by the Program Administrator and Two Hundred dollars (\$200.00) shall be forwarded to the Mediator by the Program Administrator at the time of mediation. In the event that mediation does not occur, due to settlement, withdrawal or noncompliance to the program requirements prior to mediation, the full amount shall be retained by the Program Administrator.

5. **Second Lien Holders-Right to Participate.** Any 2<sup>nd</sup> Lien holder may attend any scheduled mediations. To the extent that the homeowners request that a 2<sup>nd</sup> lien holder be invited to attend, the Lender’s counsel shall provide notice to any other lien holders.
  
6. **Mediation Preparation/Document Exchange.** Upon receipt of an application for Foreclosure Mediation, the Program Administrator shall refer the homeowner to housing counseling. The homeowner shall then meet with a counselor from the housing counseling agency in order to compile a complete financial package to support a request for a foreclosure alternative. The housing counselor shall assist in designing a summary report for consideration at the mediation session. ***The homeowner must ensure that their complete financial package is supplied to the Program Administrator within sixty (60) days of referral to the housing counselor.*** Once a financial package has been completed, the Housing Counselor shall load the forms onto the Administrator selected secure internet portal. Lender and their counsel shall also utilize the portal to (a) post the lender required loan modification application forms and requirements; (b) receive the homeowner’s loan modification package documents; and (c) exchange messages about any outstanding documents or information.

***Upon receipt of the initial financial package, Lender shall have five business days to notify the Program Administrator of any deficiencies, including missing information or documentation required for the loan***

***modification application to be complete and send the completed Confidential Loan Data Sheet and Certificate of Readiness for Mediation to the Program Administrator. Within 10 days of the date of the Lender's notification of deficiencies, homeowner shall submit supplemental information or documents.*** This deadline may be extended for compelling circumstances beyond the homeowner's control at the discretion of the Program Administrator. When no outstanding Lender requests for information or documents remain, the Program Administrator will send a Notice to the Court advising that: (1) the homeowner has delivered to Lender, via Program Administrator, a completed financial package; (2) Lender is reviewing the application for alternatives to foreclosure; and (3) the Program Administrator has scheduled the next mediation activity along with the date. After no additional requests for documents or information remain, ***the Lender shall have 30 days to review the complete financial package and make a determination regarding the homeowner's eligibility for workout options.***

7. **Mediation Session.** In conjunction with scheduling the mediation, the Program Administrator shall appoint a mediator from a list approved by the La Crosse County Circuit Court judges. The homeowner shall attend personally while the lender may attend personally, through local counsel or through video conferencing. If the Lender appears through video conferencing and the Mediator finds that the Mediation is not effective, the Mediator at his or her discretion may require a follow up mediation with a mandatory appearance by the Lender or Lender's counsel. Counsel and any other person necessary to a decision may participate by phone. In any event the lender's representative at the mediation whether in person, via local counsel or by video conference, ***such representative must have the authority to settle the matter.*** The Mediator shall keep confidential all statements made during mediation and shall report to the Court only the results of the mediation or the procedural status of the mediation case.

The Mediator or Program Administrator shall cause the mediation process to conclude when (a) the homeowner has withdrawn from the mediation process; (b) the Lender has reached a determination about the homeowners' eligibility for a loan modification and the homeowner has been afforded the opportunity to discuss the determination during a mediation session; or (c)

the homeowner has failed, after 10 business days, to supply information or documents identified by the Lender and Lender has requested closure.

8. **Close of Mediation.** After Mediation has occurred, the Mediator shall submit the Mediator's Final Mediation Report to the Program Administrator ***within five (5) business days*** of the date Mediation has occurred. The Program Administrator shall forward the Mediator's Final Mediation Report to the Court ***no later than 10 days after the conclusion of the mediation***. Upon such time as the mediation process is concluded, the Court will lift the stay and further proceedings as appropriate may be scheduled.
9. **Confidentiality of Documents.** All documents used in the foreclosure mediation process and submitted to the Program Administrator, except for the official reports to the Court and any pleadings filed with the court are to be kept confidential and are not official court records. One of the program's goals is to encourage the participants to be fully engaged in the program.
10. **Statistical Data.** The Program Administrator shall maintain statistical data on the results of mediation, including the number of cases that were mediated, the number of cases where loans were modified or otherwise worked out and shall report the same to the La Crosse County Circuit Court Judges at such times and in such manner as requested.