

MADISON/BOND COUNTY
MORTGAGE FORECLOSURE MEDIATION PROGRAM

FREQUENTLY ASKED QUESTIONS

What is the purpose of this program?

The program is designed to create an opportunity for homeowners and lenders to come together to explore mutually beneficial alternatives to foreclosure. These alternatives include retention options such as a loan modification, repayment plan, reinstatement, or forbearance agreement, and non-retention options such as short sale, deed-in-lieu of foreclosure or consent foreclosure.

Who is eligible for the program?

All homeowners facing foreclosure on their primary occupied residence are eligible for the program. Homeowners who have filed bankruptcy and included their home in the bankruptcy are not eligible for the mediation program.

Is there a fee for mediation?

There is no fee for the mediation program for homeowners.

How does a homeowner get into the Program?

Homeowners being sued for foreclosure will receive the summons of foreclosure, notice of mandatory mediation and the foreclosure mediation program initial questionnaire. The notice of mandatory mediation will advise the homeowner that they will receive notice of their Initial Intake Conference, and what documents to bring to the conference, by mail. Once they receive the notice of their Initial Intake Conference they must appear on that date to participate in the mediation program. Failure to appear at the Initial Intake conference will result in the termination of the mediation process.

What happens at the Initial Intake Conference?

At the initial intake conference the homeowner will meet at the Madison County Courthouse with the Mediation Administrator. The homeowner and administrator will discuss options available for the homeowner through the mediation program. The administrator will collect the

completed initial questionnaire and any necessary documents from the homeowner. After the initial intake conference the homeowner and Plaintiff will be notified by mail of the date of the first pre-mediation conference.

Can a homeowner get into the Program if he/she is in default but the bank has not yet initiated a foreclosure action?

This program is limited to homeowners who are involved in an ongoing foreclosure lawsuit. Homeowners who are in default may work with their lender directly towards a modification of their loan.

Can a homeowner get into the Program if a foreclosure action started before the Program began?

The Court has jurisdiction to allow ongoing cases to go through mediation if the homeowner qualifies. In most cases, if there has not been a judgment entered yet, homeowners may still be considered for the mediation process.

If the homeowner appears for the initial intake conference and participates in mandatory mediation, does the homeowner still have to file an Answer?

The homeowner must file an answer in the foreclosure action within 30 days of being served if they wish to litigate the case. The homeowner does not have to file an answer to participate in the mediation program.

How does the program affect the foreclosure lawsuit?

Mediation is a separate process from the foreclosure lawsuit the legal process continues while mediation is in progress. However, once a homeowner is participating in the mediation program, no court proceedings, including motion for default judgment will be allowed until mediation is completed.

Where do the Pre-Mediation Conferences and Mediations take place?

Both the pre-mediation conferences and mediations take place at the Wood River Arbitration Facility located at 101 East Edwardsville Road, Wood River, Illinois 62095.

What is a Pre-Mediation Conference?

A Pre-Mediation Conference is a preliminary meeting where the homeowner, the homeowner's attorney or housing counselor, if applicable, and the lender's attorney meet with the Program Administrator to prepare for mediation.

How should I prepare for the Pre-Mediation Conference?

Homeowners should consider bringing supporting financial documents, such as proof of income and most recent tax return, to the Pre-Mediation Conference. If the homeowner has been working with a housing counselor, the counselor may also participate in the Pre-Mediation Conference.

Who are the mediators?

Mediators are attorneys and mediators from the community who have been trained in the foreclosure process and potential loss mitigation options.

What is the mediator's role in this process?

The mediator is an impartial third party who is there to facilitate a possible settlement between the parties. They are prohibited from providing legal advice and will suggest you consult with an attorney if you have specific legal questions.

What are the possible remedies available through this process?

The most desirable remedy through the mediation program is a loan modification, where the terms of the loan are changed to allow for smaller, more manageable payments. Other retention options may include a forbearance plan or a repayment plan. If the homeowner's financial circumstances do not allow for a loan modification solution, other remedies that may be explored include a short sale or deed-in-lieu of foreclosure.

Will all cases settle through mediation?

While the purpose of the mediation program is to reach settlement, there is no guarantee that a case will settle through the mediation process. In some situations, a loan modification may not be possible and the parties may come to an agreement that involves the homeowner leaving the home. Each case is unique.

More questions?

Please contact Jennifer Dunham, Program Administrator at 618-296-4760 or jedunham@co.madison.il.us.