

About The Program

The Washington State Foreclosure Fairness Act Mediation Program provides homeowner foreclosure assistance. It is designed to help you and your lender reach a resolution.

Foreclosure mediation provides a non-judicial process conducted by a neutral third party (the mediator) who will assure each party is heard fully and fairly and reach a resolution if possible.

➤ What is foreclosure mediation?

Mediation is a process where the mediator helps the homeowner and the lender reach a fair, voluntary, and negotiated agreement. Foreclosure mediation programs have proven effective in reducing foreclosures in other states.

➤ Who is eligible to participate in the Foreclosure Fairness Act Mediation Program?

Homeowners who received a Notice of Default on or before July 22, 2011 and their owner-occupied house has not yet been sold at foreclosure sale; and homeowners who received the Notice of Pre-Foreclosure Options and requested mediation before the Notice of Trustee Sale has been recorded.

All lenders or beneficiaries are covered by the mediation requirement, except financial institutions that have conducted less than 250 foreclosure sales annually.

➤ How do I request mediation?

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

➤ How much will participating in foreclosure mediation cost?

The homeowner and the lender will each pay a \$200 fee for the mediation. The fee must be paid prior to mediation.

➤ FREE counseling provided

Foreclosure prevention counseling is provided FREE of charge to homeowners. Homeowner counseling is funded from program fees paid by lenders and servicers conducting more than 250 foreclosures annually in Washington State.



Department of Commerce

Innovation is in our nature.

www.commerce.wa.gov/foreclosures



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

www.wshfc.org

Call **1-877-894-HOME (4663) TODAY** to access **FREE** housing counseling.

The toll-free number for the statewide civil legal aid hotline is 1-800-606-4819.

Information is available at www.homeownership.wa.gov about the mediation program, foreclosure prevention, foreclosure alternatives, how to avoid becoming a victim of foreclosure rescue scams and more.

Details on the Foreclosure Fairness Act Mediation Program can be found at www.commerce.wa.gov/foreclosures.

If you feel you have been a victim of a foreclosure rescue scam or loan modification fraud, file a complaint with the Washington Attorney General's Office at www.atg.wa.gov/fileacomplaint.aspx or The Washington State Department of Financial Institutions at www.dfi.wa.gov/consumers/complaint.htm or **877-RING-DFI (746-4334)**.

To inquire about the availability of this publication in an alternate format, please call 360-725-2650 or TDD-TTY 360-586-0772.

Facing Foreclosure?



DON'T WAIT until it's too late

Act now to reach a resolution with your lender!



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Foreclosure Mediation Timeline

- Contact a FREE housing counselor by calling Washington State's homeownership information hotline at **1-877-894-HOME (1-877-894-4663)** or visiting www.wshfc.org/buyers/counseling.htm or www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm. Foreclosure counseling helps homeowners understand all of their options and determine the best course of action.
- Contact the statewide civil legal aid hotline for legal assistance and referrals at 1-800-606-4819 or www.nwjustice.org/what-clear.
- Get more information on foreclosure assistance and the Foreclosure Fairness Act Mediation Program at www.homeownership.wa.gov.

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- Lender must notify homeowner by letter and telephone of the right to a 60-day window of opportunity for an in-person meeting before lender records a Notice of Default.
- The notice must also indicate the homeowner's right to request mediation through a housing counselor or attorney. Mediation may be requested up until the Notice of Trustee Sale is issued.

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- Mediation is requested ONLY by a housing counselor or attorney sending a request for mediation to the Department of Commerce. The homeowner does not have to establish or prove reasons for the request.
- Once mediation is requested, the foreclosure process stops until mediation is completed.

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- Within 10 days of receiving the request for mediation, Commerce will notify all parties that mediation has been requested, select a mediator, and notify the parties of documents that are required for the mediation.

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- The mediation will be scheduled no later than 45 days after the mediator is selected, unless otherwise agreed.
- The mediator will set a time, date and place for the mediation 15 days before the mediation session.
- The homeowner may be represented by an attorney or other advocate such as a housing counselor.
- The lender must have a person with authority to modify the loan or negotiate an agreement either at the mediation or available by telephone.

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- At least 10 days prior to mediation session:
 - Homeowner will prepare and exchange with the lender: a financial statement with current and future income information, debts and obligations, and last two years of tax returns.
 - Lender will prepare and exchange with the homeowner: loan balance, an itemized list of fees and charges, payment history, net present value and loan modification inputs, and other required documents.

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- At the mediation, both the homeowner and the lender must participate in good faith.
- The mediator will encourage the parties to examine all options, including loan modification, to avoid foreclosure.
- Within seven days after mediation, the mediator will make a written certification of the results of the mediation and whether the parties participated in good faith.

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- The parties either come to an agreement (a loan modification or other alternative) or the parties do not come to an agreement, and the foreclosure process will proceed.
- If the lender does not mediate in good faith, the homeowner may be able to stop the foreclosure sale in court.

Learn more today at www.homeownership.wa.gov.

