



# Department of Commerce

## FORECLOSURE FAIRNESS PROGRAM SUCCESS STORIES

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The Foreclosure Fairness Act (FFA) ([RCW 61.24.163](#)), initially passed by Washington State Legislature in April 2011, created the framework for homeowners and beneficiaries to communicate, through the assistance of a neutral mediator, to reach a resolution and avoid foreclosure when possible.

Listed below are recent success stories submitted by participants. The identities of participants have been omitted and/or changed when anonymity was requested.

### **#1 - 2016 Success Story - Submitted by: Borrower Representative**

The borrower came to our firm after receiving a notice of foreclosure. She had fallen behind due to lack of work and large medical bills. The family home was to be sold at auction after being in the family for years. The borrower had never heard of the foreclosure fairness program. I have been a paralegal at the law group for years and we feel this is one of our most effective tools at fighting big banks and deceptive lending practices. We were able to assist the borrower (with a state-appointed mediator) in navigating the application process with her lender. Anyone who has applied for a loan modification directly with their lender can attest to the inefficiency of the process with many clients having to repeatedly submit documents. Many times the applications are never completed and it seems like trying to save your home is an endless cycle. We helped the borrower through this process and finally the attorney for the beneficiary confirmed a complete application for review of home-resolution options was with the underwriters. When the bank came back and denied our request to permanently modify the loan we were shocked. Thank goodness we had an excellent mediator who had kept his eyes on the process and also that we kept meticulous records throughout the inception of the mediation. We prepared an argument for bad faith on behalf of the lender for not mediating with good intentions. At that point, the bank immediately changed their tune and offered our client a modification with great terms. The Foreclosure Fairness Program is a blessing and is the best option for homeowners to retain their households. It ensures transparency and accountability for borrowers who act in a good faith and who want nothing more than to retain their homes.

### **#2 - 2016 Success Story - Submitted by: Borrower Representative**

This mediation between Wells Fargo and my client was successful on many fronts; but, not because my client got a modification. Instead, my client gained insight and knowledge into why she was denied, and the information provided closure and satisfaction. It is the first time in my experience anyone from Wells Fargo, with authority, has been at the mediation. Their representative actually identified himself as an underwriter, which has never been the case in my previous mediations.



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### **#3 - 2016 Success Story - Submitted by: Borrower Representative**

The Foreclosure Fairness Program provides a valuable service even when the home cannot be retained. I referred a client with health issues to mediation. Though the chances of retention were quite slim, I felt we needed the protection of mediation to work through the best possible non-retention scenarios in the event retention was not possible.

At the session, the beneficiary's representative on the phone was very knowledgeable and we had a very productive discussion. He explained in detail the different possibilities (deed-in-lieu, short sale, cash for keys) and how these programs would work, the pros and cons, and the features of these programs that were unique to that beneficiary.

The mediator kept the case open for several more weeks, and scheduled check-in calls as we worked through some logistics to determine which option would be most suitable under the circumstances. Once we settled on the best way forward for this particular situation and agreed on next steps/what to expect, she closed and certified the mediation.

In this case, even though retention was not possible, mediation gave us the opportunity to be heard, to learn all the possible options, and the time and space to make the best selection possible prior to ending the mediation process.

### **#4 - 2016 Success Story - Submitted by: Borrower Representative**

I had a case with a very sympathetic young family in foreclosure due to a severe drop in income. The default was fairly longstanding by that point, and so the arrears and the numbers were challenging. I believed we could present sufficient income if we used multiple income streams; however, this was complex to properly document. At the mediation, the beneficiary's representative on the phone had obviously studied the file closely, including the documentation we'd sent in to date. He advised us clearly on what additional items would be needed for them to review the file.

We subsequently provided the requested materials and my clients were granted a trial modification. The mediator scheduled an additional session to keep the mediation open until we successfully converted to a permanent modification, just in case any issues arose.

The permanent modification came through and my clients were so relieved to be able to remain in their home! I'm not confident we would have had this wonderful outcome if we'd applied for this modification outside of mediation. We likely would have gone back and forth on documents endlessly, given the special circumstances in this case. Having access to a knowledgeable beneficiary's representative "live" in the session made all the difference to a successful modification.