

## FORECLOSURE FAIRNESS PROGRAM

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

Here is a success story and several quotes from mediation evaluations submitted by program participants. The identities of the participants were omitted and/or changed to maintain their anonymity.

### **2013 Success Story Submitted by a Borrower Attorney at Northwest Justice Project (NJP)**

Over the summer we represented a family from Bonney Lake. The parents mortgaged their home to build significant accommodations for their physically challenged adult daughter who lives with them. When the father lost his job, they tried for over three years to get a loan modification from their lender without success. Even when the father found a good job, their lender required a contribution letter from the daughter because her food benefits counted as household income. They tried to explain that they could not comply because their daughter could not write, read, or speak, but their lender initiated foreclosure. When the family contacted NJP, they were desperate and afraid. An attorney in NJP's Tacoma office represented them in mediation. The couple felt it was important to take their daughter to mediation so that the representatives from their lender could see why they could not comply with the contribution letter requirement. Between the first and second mediation session, NJP negotiated a permanent loan modification, and no second session was necessary. The payments are now affordable and they received a principal reduction of \$31,000. Without the modification it would have been nearly impossible for this family to continue caring for their daughter.

### **2012-2013 Borrower Quotes**

“The process was excellent. The mediator explained what the bank was expecting. Without the program I would be lost. I felt overwhelmed.”

“I tried to contact the lender directly before using the program and were told no. It felt like an impossible task and we almost gave up. And then we heard about the mediation program, and [the mediator] was awesome... I wish everyone knew about this opportunity.”

“The program did what it was designed to do. I could not have stayed in the home without the program.”

“I had gone through other attempts to work out an agreement with the bank before, and I think the process now has definitely put the homeowner on a more even footing with the bank, and in some cases protected the homeowners.”

“Very glad [the mediation program] was there. If it wasn't there, I wouldn't be in my home. There's no way I could have reached an agreement with my lender on my own.”

