

## 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 are a few success stories submitted by program participants. The identities of the participants were omitted and/or changed to maintain their anonymity.

### **2014 Success Story Submitted by a Foreclosure Fairness Act Mediator**

The borrower received a denial letter and was greatly discouraged by the time she made it to mediation. She and her advocate asked very good questions and tried to see what could possibly be done since she really wanted to work to keep her home and now had a better paying job that might support the mortgage. The servicer and their attorney tried to gently explain that even with the new job and higher wages, she just wasn't quite there. Finally after much tap-dancing around the question of "how much would it take," the servicer explained, in detail, about the ratios needed of debt to income, and that it appeared that "if your HOA dues weren't required, you'd likely be in a better position to afford the mortgage." This is the closest you'll almost ever hear a servicer state exactly what is needed to either keep the home or recognize that you're not even close and the discussion needs to move on. The borrower's advocate immediately understood what the servicer was saying and asked that the borrower's young adult daughter be considered a non-borrower contributor, as the daughter was working full-time and wasn't presently paying rent or otherwise financially contributing to the household. The parties then went through documents needed and ended the session with a plan of next steps. Within the next week, the borrower had turned in the documents and received a Trial Payment Plan, which she happily accepted. To me, as a mediator, this is the kind of success that I would like to see more of – better explanations as to "why" or "why not" from servicers, and borrowers that do take the steps necessary to create financial stability for themselves.

### **2014 Success Story Submitted by a Foreclosure Fairness Act Mediator**

What a pleasure to have foreclosure mediation with bank representatives at the session! Two officers of the bank were present at the mediation today (6/24/2014) and the meeting was productive and positive. Even though the homeowner could not afford a loan modification, having bank officers present who could make real-time decisions on the fate of the property resulted in several offers that were considered (yet ultimately rejected) by the homeowner. The negotiations and offers were thoughtful and respectful, and both borrower and beneficiary could clearly understand what would and wouldn't work for the other. In other words, they had their own, as well as each other's needs in mind. This may be a once in a foreclosure-mediation-career kind of session, and I'm really happy I had the opportunity to be a part of it.

