

## Foreclosure Mediation Contacts and Links

### The Nevada Legislature:

When Assembly Bill 149 was first introduced in the Nevada Legislature, lenders were not modifying many loans even when it was in their interest to do so. Many homeowners were frustrated in their efforts to negotiate with their lenders. Many could not even reach a lender's representative to speak about their loan. In an effort to increase the responsiveness of lenders, and to provide an opportunity for homeowners to negotiate with lenders in the event that the lenders filed for foreclosure against the homeowners, AB 149 was passed requiring mandatory mediation.

Link to AB 149 as enrolled:

[http://www.leg.state.nv.us/75th2009/Bills/AB/AB149\\_EN.pdf](http://www.leg.state.nv.us/75th2009/Bills/AB/AB149_EN.pdf)

### The Nevada Supreme Court:

The Supreme Court was tasked with creating the Foreclosure Mediation Program. Before the bill even passed, Chief Justice Hardesty was hard at work creating the rules. The Rules were adopted after public hearing.

Link to the Supreme Court of Nevada Foreclosure Mediation web pages:

<http://www.nevadajudiciary.us/index.php/foreclosuremediation.html>

Link to Supreme Court Rules on Foreclosure Mediation:

[http://www.nevadajudiciary.us/images/foreclosure/adkt435\\_amendedrules.pdf](http://www.nevadajudiciary.us/images/foreclosure/adkt435_amendedrules.pdf)

Foreclosure Mediation Program Contact Information:

Foreclosure Mediation Hotline:

Northern NV 775-687-9816

Southern NV 702-486-9380

Outside the 702 area code: 888-421-3004

[Foreclose@nvcourts.nv.gov](mailto:Foreclose@nvcourts.nv.gov)

201 S. Carson Street

Suite 109

Carson City, NV 89701

Nevada Association of REALTORS

[www.NVAR.org](http://www.NVAR.org)

**NVAR Legal Information Line 800-748-6999**

Reno-Sparks Association of REALTORS

[www.RSAR.net](http://www.RSAR.net)

Legal Aid Center of Southern Nevada

[www.lacsn.org/go/foreclosures](http://www.lacsn.org/go/foreclosures)

National Consumer Law Center- *State and Local Foreclosure Mediation Programs- Can They Save Homes?*

[www.Consumerlaw.org](http://www.Consumerlaw.org)

What do I as a REALTOR need to know? <sup>1</sup>

### **Who is eligible?**

To qualify for the Foreclosure Mediation Program, a property must be a homeowner's primary residence and located in Nevada. The loan must have originated prior to January 2009. The Notice of Default and Election to Sell must have been filed after July 1, 2009. The Homeowner must complete and return the Election of Mediation Form. If the homeowner has an open Bankruptcy, check with an attorney to see if he is eligible for the mediation program.

### **Process:**

1. Default- The homeowner fails to make payments, the lender may send a notice that the homeowner is in default.
2. Notice of Default and Election to Sell- This Notice is recorded at the County Recorder and a copy sent to the homeowner by certified or registered mail
3. Election/Waiver of Mediation Form- This Form must be sent with the Notice of Default. The homeowner has 30 days to return it, along with a \$200 fee to the Trustee.
4. The Trustee: has 10 days to forward the Election to the Administrator and also notifies the lender and each interested party of the election of mediation by certified mail.
5. The Administrator appoints a Mediator within 10 days, and sends a Notice of the Appointment to the lender and the homeowner.
6. The Mediator will contact the parties to schedule a mediation and request documents from both sides. Then the Mediator will send the Mediation Scheduling Notice.
7. Exchange of Documents: At least 7 days prior to the mediation the parties will exchange documents as requested by the mediator.
8. Mediation: Conducted by the Mediator. After Mediation is concluded, the mediator files a Mediator's Statement with the Administrator.
9. Petition for Judicial Review: May be filed by any party after the mediation is completed.

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<sup>1</sup> Much of the following information was summarized from the Foreclosure Mediation Community Legal Education Class- Attendee Manual created by the Legal Aid Center of Southern Nevada. The full document can be found at

## **Should the Homeowner elect mediation?**

As a REALTOR®, do not advise a homeowner whether he should or should not elect mediation. Be the source of the source. Lead your client to the information and let them make the decision independent of your opinion. There are legal and tax implications of pursuing the mediation option. Do not give legal or tax advice.

## **Forms and Documents for the Homeowner**

Forms provided by the Mediator:

1. Financial Statement.
2. Housing Affordability Worksheet.

Usual Documents Requested:

1. Most recent Federal Tax Return.
2. Proof of Income (last two paystubs, or if self employed, the last 6 months profit and loss statement.)
3. Last two bank statements.

Other Information:

1. Hardship letter explaining why you are in need of a modification (lost job, cut in pay, adjusting rate increased payments, etc.)
2. Proposal for resolving the foreclosure asking for a modification or refinance of the current mortgage.

Good to Have for the Mediation:

1. Latest mortgage statement
2. Loan document
3. Estimates for the value of your house
4. List of the lender's obligations for mediation
5. List of your arguments

## **Typical Resolutions**

Repayment Plan- Where payments are increased for a period of time, to make up for missed payments.

Refinancing Plan- Where a lender writes a new loan. This is useful for a homeowner to get out from under an adjustable rate mortgage.

Loan Modification Plan- Where the payment and/or interest rate terms or the principal amount owed are modified.

## **Effective Mediation**

- Don't complain about the lender or your past treatment by the lender
- Show why modification is better than foreclosure
- Demonstrate that the loan modification is affordable and that you will be a good customer
- Make the lender feel it is in his best interest to modify
- Prepare, prepare, prepare