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Business: Real Estate

- Foreclosure mediation program slow to start in bay area

Foreclosure mediation program slow to start in bay area

By James Thorner, Times Staff Writer
In Print: Tuesday, March 16, 2010

Court-ordered mediation was pitched as a faster and easier way to ease Florida's mortgage crisis. But it's turning out to be neither fast nor easy.

Faced with the task of setting up a program largely from scratch, Pinellas and Pasco counties won't start offering foreclosure mediation until June 1 at the earliest. Hillsborough County has yet to set a date.

Hundreds of thousands of foreclosure cases clog state courts. In Pinellas, Pasco and Hillsborough, the mortgage default case load exceeds 50,000. It was with that logjam in mind that the Florida Supreme Court issued a December order requiring each of the state's 20 judicial circuits to sponsor mediation sessions between homeowners and lenders.

But judicial circuits are going through formal bidding to hire organizations to manage their mediation programs. The process can take several months.

"Even when it starts it's going to be slow," said Greg Firestone, head of the University of South Florida Conflict Resolution Collaborative, gearing up to provide mediation for the Tampa Bay courts.

"You have to call the borrower. Then the borrower's going to meet with a mortgage foreclosure counselor. Then you try to schedule a mediation. So even if a program starts in July, it's unlikely you'll see mediations in the first month."

But will mediation work? According to the Collins Center for Public Policy, a Miami nonprofit that plans to collaborate with Firestone's group, only half of Florida homeowners sign up for mediation in courts that have experimented with it. Another large group of distressed homeowners — real estate investors without a homestead exemption — aren't eligible for mediation.

Of the homeowners that do use the service, about two-thirds reach agreement with their lenders, usually entailing loan restructuring or interest rate reductions, the Collins Center reported.

Mediation, together with pre-mediation foreclosure counseling, will cost \$750, covered by the lender. Sessions should last no more than three hours. But negotiating could be more tedious than mediation fans imagine.

The Supreme Court requires that bank representatives have full authority to approve mortgage workouts with homeowners.

But in many cases, banks just service loans owned by distant investors and have no final say,

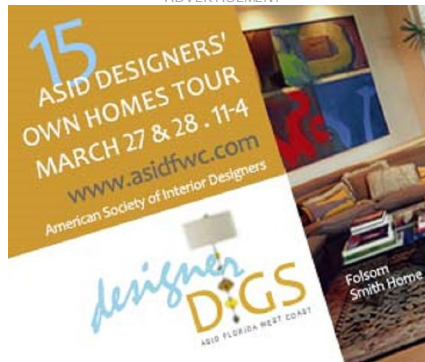
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said Matt Weidner, a St. Petersburg lawyer who defends homeowners in foreclosure cases. "The Supreme Court can order what it wants, but the investors who own these loans haven't signed off," Weidner said of mediation. "It's really a farce."

Firestone acknowledged the problem. To help remedy it, courts plan to change confidentiality rules that up to now have prevented judges from discovering which banks aren't mediating in good faith.

Another potential hiccup: Mediation managers must schedule sessions no earlier than 60 days and no later than 120 days after a foreclosure lawsuit is filed, the Supreme Court says. That has raised fears that mediation is geared more to future foreclosures than to the current backlog.

People hit with a foreclosure suit before Feb. 1, for example, will have exhausted those 120 days before Pinellas and Pasco have mediation in place June 1.

And the foreclosure pileup continues. In February, lenders sued 3,880 Tampa Bay homes for foreclosure, according to RealtyTrac. In January 4,404 properties got initial foreclosure notices.

"Some people think there's another foreclosure wave coming. Certainly, we're not seeing any major slowdown," Firestone said. "To do mediation right, it takes time."

516,711
Florida properties with foreclosure filings in 2009
50,000+
Foreclosure cases backed up in Pinellas, Pasco and Hillsborough
50 percent
Eligible homeowners predicted
to use mediation
\$750
Cost of mediation, picked up
by the lender

[Last modified: Mar 15, 2010 11:20 PM]



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There are 11 comments

Oldest First



stpeteborn wrote:

All these programs to "help" the Average Joe taxpayer turned out to be not as great as what was "sold" to the public. For instance, there's this program to help homeowners, then there's the First Time Home Owner's Rebate. It is being administered by the IRS, and many, many folks are waiting 5-9 months for a check that was supposed to be received in 12 weeks (and then only because they made numerous calls to the IRS and wasted hours on the phone helping the IRS get their info right.) Hmmmm, wonder why big banks and AIG didn't have to wait months to receive their funds, or have their business loans covered. Anyone who thinks that healthcare is going to be more efficient because it's mandated by the government is really being naive.

Mar 15, 2010 9:35 PM



4



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Dr_Dug wrote:

You wanted Obama and his change....Well, you go it. Obama took your dollars and promised you change....So, how's that change working out for you? Is it better than your dollars? And now he wants even MORE change....get ready suckers!!!

Mar 15, 2010 9:43 PM



3



6

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wantadoitsoon wrote:

ok i have the answers
1..10c deposit on all bottles and cans..this keeps it clean and lots of jobs ..people have to handle all them cans and bottles..they count them job jobs jobs build machines to count and refund money...people to empty the can and bottle machines fix the machines.jobs jobs jobs.
2 in nj you cant pump your own gas.you have to be trained to pump gas..jobs jobs all stations are full service jobs jobs trainers and pumpers jobs jobs
3 state inspection on all cars...green green jobs jobs people inspecting cars people fixing cars jobs jobs jobs inspection trainers and we get some junk off the roads..
ok let review 1] bottle and can deposit all states 2]car inspections all states 3] trained gas station people every state full service thats a good start to make a few million jobs.2 million jobs makes about 5,000,000,000 dollars in taxes and cuts about 40,000,000,000 dollars. in welfare. i just saved to taxes payers 45,000,000,000 dollars ... i just want 10% for thinking it

Mar 15, 2010 11:25 PM



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 3  1 [Report Abuse](#)**willie_from_penniless_park** wrote:

if local governments would declare a dwelling that has been empty due to foreclosure for two years or more as 'urban blight' and subject to adverse possession, i'd bet the banks would scramble to resolve the property issues - it's not local government, it's the banks that aren't moving on foreclosures

Mar 16, 2010 6:09 AM

 5  0 [Report Abuse](#)**ShellBell** wrote:


Since when does ANY motion proceed with efficiency and speed thru our local court system? Have any of you been to court? By dragging out the proceedings this causes more atty fees & costs that usually bring terror to the litigants soul. It's a \$\$ making scheme, plain & simple...DUH!

Mar 16, 2010 6:26 AM

 2  0 [Report Abuse](#)**Tino** wrote:

Of course it's going to be a failure, and deadbeat defender Matt Weidner knows it. These deadbeats, who committed bank fraud, lied on their mortgage applications because they don't have the income to pay for even a modified mortgage. They should be in jail, not being offered sweetheart deals subsidized by the rest of us.

Mar 16, 2010 9:12 AM

 3  2 [Report Abuse](#)**jlcrystalbeach** wrote:

If we would end prohibition of marijuana there would be many high paying jobs created. Our foreclosure problem would end. We need a grass roots campaign to save our state. Please, we all need to speak out. It all comes down to jobs. I see alot of anger in the posts here? I am for peace. Let's build each other up, not tear each other up.

Mar 16, 2010 9:40 AM

 2  1 [Report Abuse](#)**MediatorKen** wrote:

"People hit with a foreclosure suit before Feb. 1, for example, will have exhausted those 120 days before Pinellas and Pasco have mediation in place June 1."

Pinellas and Pasco have had a foreclosure mediation program in place for a while now. It's actually more efficient than the program required by the Florida State Supreme Court. It's free for the homeowner and less expensive for the lender.
www.facebook.com/MediatorKen

Mar 16, 2010 11:03 AM

 1  0 [Report Abuse](#)**cs0962** wrote:

Right on Tino! The biggest problem is these dead-beat defenders who fill deperate homeowners' heads with false hopes and promises about nonsense defenses to foreclosures. THIS is what delays the process and clogs up the system. Believe it or not, its not the banks or their attys that are the bad guys here, it is the defense attys who string everyone along when--in the end--there is no defense to the foreclosure. YOU made a bad decision, the bank made a bad decision, now you must both deal with the consequences and move on--you lose the house, the bank takes a bath in red ink, but everyone moves on with life. ITS NOT THE FREAKING END OF THE WORLD!!!! Wake up and realize that your house is NEVER going to come back to the value that you paid for it any time in the foreseeable future...stop wasting time and money on a losing cause. But once again, do-gooder gov't involvement only complicates the process and causes more problems than it solves. Good grief when will everyone wake up?!

Mar 16, 2010 11:25 AM

 1  1 [Report Abuse](#)**JRScheminole** wrote:

This crap is not going to work. No one knows how it works now and they for sure are not going to know how it works in two months. I agree w/ the poster below. It's time for a change people. There is no reason that MAN needs to block a seed that GOD made. But, people are ignorant and think they know better than him. Legalize it.

Mar 16, 2010 11:28 AM

 1  0 [Report Abuse](#)**Mark34698** wrote:

wantadoitsoon:

"in nj you cant pump your own gas.you have to be trained to pump gas..jobs jobs all stations are full service jobs jobs trainers and pumpers jobs jobs"

No thanks, I can pump my own gas. I don't need someone to be trained to pump my gas. However it would be just like this administration to choose for me and decide I need to pay extra for my gas, so that a union worker can get paid for pumping my gas and a trainer can get paid for teaching how to pump my gas all in the name of creating jobs.

Let me choose where I want to "pump" my money into the economy.

Mar 16, 2010 1:26 PM



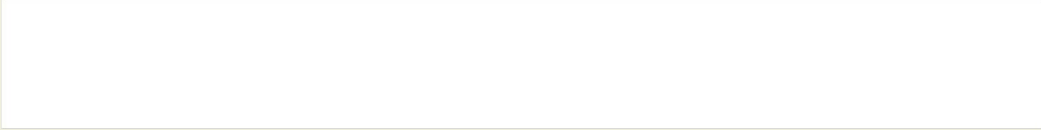
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