

Program Report Card: Foreclosure Mediation Program (Judicial Branch, Superior Court Operations)

Quality of Life Result: Homeowners in Connecticut remain in their homes.

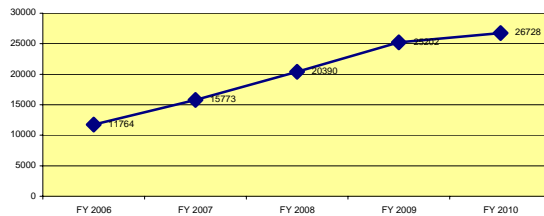
Contribution to the Result: The Foreclosure Mediation Program provides homeowners facing an overwhelming financial crisis with the opportunity to remain in their homes through a court-based mediation process. The program facilitates agreements between homeowners and lenders in pending foreclosure cases. In most of these cases, foreclosure is avoided, but even in those cases where it is not avoided, the terms of the foreclosure are negotiated to assist the homeowner.

Total Program Funding: \$ 3,541,827 **State Funding:** \$ 0 **Federal Funding:** \$ 0 **Other Funding:** \$3,541,827 (Banking Fund)

Partners: Judges, Attorneys, Mortgage Holders, Lending Institutions, Loan Servicing Companies, Connecticut Housing Finance Agency, Department of Banking, Connecticut Bankers Association

Performance Measure 1: the number of foreclosure cases filed:

Number of Foreclosures Filed FY 2006-2010

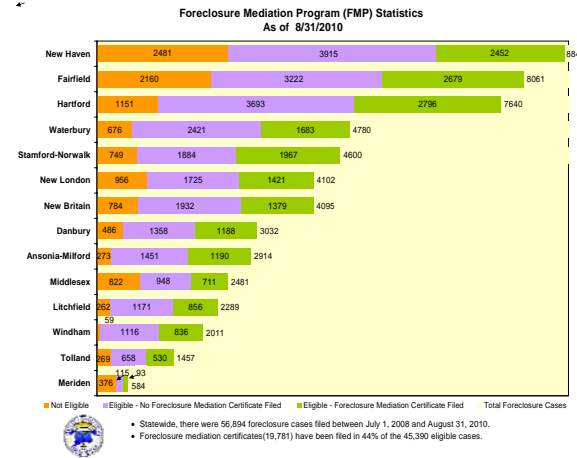


Story Behind the Baseline: The number of foreclosure cases filed has increased by 126% since 2006. Prior to institution of the Foreclosure Mediation Program, the majority of foreclosure cases resulted in the borrower losing his or her home

Proposed actions to turn the curve: Rising case numbers can be attributed to a number of factors, including the lending practices of financial institutions as well as the weakened state of the economy. The court cannot limit the number of foreclosure cases filed.

The Foreclosure Mediation Program seeks to stem the number of foreclosure proceedings that result in a judgment of foreclosure and homeowners losing their homes. This program was designed to “turn the curve” of the trend toward more and more residential properties being foreclosed on, and the statistics show that it is doing just that.

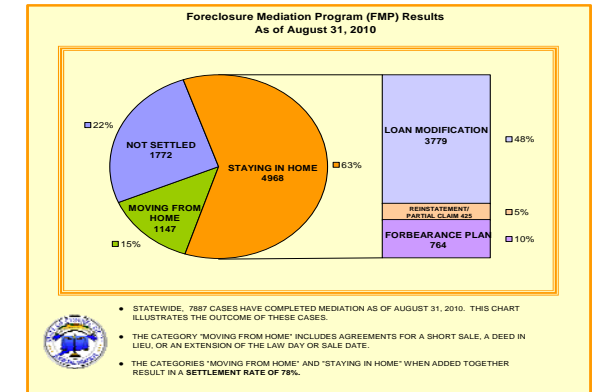
Performance Measure 2: The number of cases mediated by the program.



Story Behind the Baseline: This chart shows the extent to which the foreclosure mediation program addresses the overall volume of foreclosure cases. It is important to note that the program applies only to cases involving a 1-4 family, owner-occupied dwelling. All cases involving the foreclosure of a mortgage are shown as eligible in the chart above because the court does not know if a dwelling is owner-occupied until the foreclosure mediation certificate is filed claiming such.

Proposed actions to turn the curve: Continue and expand outreach efforts to make homeowners facing foreclosure aware of the benefits offered by the foreclosure mediation program so that they are more likely to file the certificate requesting mediation.

Performance Measure 3: Number of Cases Settled.



Story Behind the Baseline: This chart illustrates two measures that indicate the effectiveness of the Foreclosure Mediation Program. The settlement rate for the program is 78%. This includes those cases in which the homeowner remains in the home, and those in which the homeowner agrees to move from the home on terms that have been agreed to.

- The category “Moving from Home” includes agreements for short sale, a deed in lieu, or an extension of the law day or sale date.
- It is important to note that in cases in which the homeowner is moving from the home, cases are settled on terms more favorable to the homeowner than they may have had they not participated in mediation.

Proposed actions to turn the curve: Increased efforts to communicate with lenders and their attorneys to promote settlement of cases.