

The Cumberland County
Residential Mortgage
Foreclosure Diversion Program

March 9, 2012



Training Materials

**THE CUMBERLAND COUNTY RESIDENTIAL MORTGAGE FORECLOSURE
DIVERSION PROGRAM**

MARCH 9, 2012

8:30 a.m. Welcome: President Judge Hess

8:40 a.m. Overview of Operations of the Administrative Order and the Cumberland County Residential Mortgage Foreclosure Diversion Program: President Judge Hess

9:15 a.m. The Referral of Cases; What is and is not Expected of the Volunteer Lawyer: Nick Matash, Linda Ceconello, Geoff Biringer

9:30 a.m. Resources available to Homeowners to Save Homes: Joseph Schalk, Jennifer Heverly, Nick Matash, and Sheila Mitchell

10:00 a.m. Break

10:15 a.m. Perspectives on Effective Ways to Solve Problems in these Cases and How a Similar Diversion Program has worked to help Solve Problems; The Experience in Lycoming County: Fred Holland, Joseph Schalk, and Jennifer Heverly

10:55 a.m. Background on Legal Issues that Can Arise in Foreclosure Cases: Joseph Schalk, Jennifer Heverly

11:35 a.m. Wrap Up and Comments/Questions

PANELISTS

President Judge Kevin Hess: President Judge of Cumberland County, whose Administrative Order establishes the Cumberland County Residential Mortgage Foreclosure Diversion Program, who will be overseeing the administration of the program

Geoff Biringer, Esq.: Former staff attorney with MidPenn Legal Services, experienced in handling of foreclosure cases, who will be making referrals of clients above 125% of federal poverty guidelines, to pro bono attorneys.

Linda Ceconello: Pro Bono Coordinator for the Cumberland County Bar Association who has recruited the panel of pro bono attorneys handling cases under the diversion program and who will be sharing information with foreclosure defendants about the diversion program. She has been a member of the advisory committee to Judge Hess in the development of the Court's Administrative Order.

Jennifer Heverly, Esq.: Attorney in the Williamsport, Lycoming County office of North Penn Legal Services, experienced in representation of defendants in foreclosure actions and the administrator of the Lycoming County foreclosure diversion program.

Fred Holland, Esq.: Attorney in private practice in Williamsport, Lycoming County Pennsylvania, who has experience accepting pro bono referrals under that county's foreclosure diversion program.

Nick Matash, Esq.: Managing Attorney of the MidPenn Legal Services office in Carlisle, which will provide representation to clients in the Cumberland County diversion program, at and below 125% of the federal poverty guidelines, and a member of the advisory committee to Judge Hess in the development of the Court's Administrative Order.

Sheila Mitchell: Housing and Credit Counselor for Advantage Credit Counseling Service. She provides counseling services to Cumberland County clients out of offices at the Cumberland County Housing and Redevelopment Authority and will be assisting clients in the Cumberland County diversion program with the financial worksheet used under this program and with the development of individual client action plans under this program.

Joseph Schalk, Esq.: Plaintiff's counsel in many foreclosure cases, including Cumberland County cases, and a member of the advisory committee to Judge Hess in the development of the Court's Administrative Order.

Administrative Order Establishing
Cumberland County
Residential Mortgage Foreclosure
Diversion Program



COMMONWEALTH OF PENNSYLVANIA
NINTH JUDICIAL DISTRICT
COURT OF COMMON PLEAS – CUMBERLAND COUNTY

ADMINISTRATIVE ORDER

AND NOW, this 28th day of February, 2012, the Cumberland County Court of Common Pleas having recognized the current mortgage foreclosure crisis hereby establishes a Mortgage Foreclosure Diversion Program:

- (a) In all residential mortgage foreclosure actions involving a residential property which serves as the primary residence of the defendant/borrower, the complaint shall include a Notice of Residential Mortgage Foreclosure Diversion Program in the format set forth in Form 1 and a Financial Worksheet in the format set forth in Form 2.
- (b) Following the service of the complaint, Notice of Residential Mortgage Foreclosure Diversion Program and Financial Worksheet, all proceedings shall be stayed for a period of sixty (60) days from the date of service of the complaint in order to afford the defendant/borrower an opportunity to qualify for participation in a court-supervised Conciliation Conference.
- (c) If the defendant/borrower in a residential mortgage foreclosure action has taken the affirmative steps identified in the Notice of Residential Mortgage Foreclosure Diversion Program to be eligible to participate in a court-supervised Conciliation Conference, the defendant/borrower shall file a Request for Conciliation Conference in the form as set forth in Form 3 within the sixty (60) day time limit set forth in the Notice. The Request for Conciliation Conference shall be served upon counsel for

the plaintiff/lender. A copy of the Request for Conciliation Conference shall also be served upon the Court Administrator for assignment to a judge.

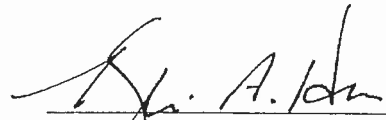
- (d) Upon receipt of the Request for Conciliation Conference, the court shall issue a case management order providing for the scheduling and conducting of a Conciliation Conference. See Form 4.
- (e) The defendant/borrower shall be entitled to participate in a court-supervised conciliation conference with the plaintiff/lender in all residential mortgage foreclosure actions in which the defendant/borrower has completed a Financial Worksheet in the format set forth in Form 2 in advance of the Conciliation Conference and has filed and served a Request for a Conciliation Conference.
- (f) To be eligible to participate in a Conciliation Conference an otherwise unrepresented defendant/borrower who has been served with a Notice of Residential Mortgage Foreclosure Diversion Program must contact MidPenn Legal Services at 717-243-9400 extension 2510 or 800-822-5288 extension 2510 for the appointment of a legal representative at no charge to the defendant/borrower, meet with the appointed legal representative, complete a Financial Worksheet, and file the Request for Conciliation Conference form within the time deadline set forth in the Notice.
- (g) If the defendant/borrower is represented by counsel in the mortgage foreclosure action, the defendant/borrower need not contact MidPenn Legal Services for the appointment of a legal representative but, instead, counsel for the defendant/borrower shall ensure completion of the prescribed Financial Worksheet and file the Request for Conciliation Conference form within the time deadline set forth in the Notice.

- (h) At least twenty-one (21) days prior to the date of the Conciliation Conference, the defendant/borrower must serve upon the plaintiff/lender and its counsel a copy of the Cumberland County Residential Mortgage Foreclosure Diversion Program Financial Worksheet.
- (i) Conciliation conferences in Residential Mortgage Foreclosure actions will be conducted at such time and place as fixed in the case management order and will be conducted by a judge. The defendant/borrower and counsel for the parties must attend the Conciliation Conference in person and an authorized representative of the plaintiff/lender must either attend the Conciliation Conference in person or be available by telephone during the Conciliation Conference. The representative of the plaintiff/lender who participates in the Conciliation Conference must possess the actual authority to reach a mutually acceptable resolution. It is important, therefore, that counsel for the plaintiff/lender discuss resolution proposals with the authorized representative in advance of the Conciliation Conference. The court, in its discretion, may require the personal attendance of the authorized representative of the plaintiff/lender at the Conciliation Conference.
- (j) At the Conciliation Conference, the parties and their counsel shall be prepared to discuss and explore all available resolution options which include, but are not limited to: bringing the mortgage current through a reinstatement; paying off the mortgage; proposing a forbearance agreement or repayment plan to bring the account current over time; agreeing to vacate in the near future in exchange for not contesting the matter and a monetary payment; offering the lender a deed in lieu of foreclosure;

entering into a loan modification or a reverse mortgage; paying the mortgage default over sixty (60) months; and the institution of bankruptcy proceedings.

- (k) If more than sixty (60) days has elapsed since the service of the Notice of Residential Mortgage Foreclosure Diversion Program and the defendant/borrower has not opted to participate in the Diversion Program by taking the affirmative steps required by the Notice or the defendant/borrower has failed to serve a completed Financial Worksheet as required, or the parties have participated in a court-supervised Conciliation Conference and have been unable to resolve the matter, on motion of the plaintiff, the temporary stay will be terminated.
- (l) The appearance by an attorney at the Conciliation Conference shall not be deemed to be an entry of appearance in the mortgage foreclosure action.
- (m) This order shall take effect April 1, 2012, or thirty (30) days from the date of publication in the *Pennsylvania Bulletin* and remain in effect until June 30, 2014.

BY THE COURT,



Kevin A. Hess, P. J.

FORM 1

Plaintiff(s) : IN THE COURT OF COMMON PLEAS OF
: CUMBERLAND COUNTY, PENNSYLVANIA
: vs.
Defendant(s) : _____ Civil

**NOTICE OF RESIDENTIAL MORTGAGE FORECLOSURE
DIVERSION PROGRAM**

You have been served with a foreclosure complaint that could cause you to lose your home.

If you own and live in the residential property which is the subject of this foreclosure action, you may be able to participate in a court-supervised conciliation conference in an effort to resolve this matter with your lender.

If you do not have a lawyer, you must take the following steps to be eligible for a conciliation conference. First, within twenty (20) days of your receipt of this notice, you must contact MidPenn Legal Services at (717) 243-9400 extension 2510 or (800) 822-5288 extension 2510 and request appointment of a legal representative at no charge to you. Once you have been appointed a legal representative, you must promptly meet with that legal representative within twenty (20) days of the appointment date. During that meeting, you must provide the legal representative with all requested financial information so that a loan resolution proposal can be prepared on your behalf. If you and your legal representative complete a financial worksheet in the format attached hereto, the legal representative will prepare and file a Request for Conciliation Conference with the Court, which must be filed with the Court within sixty (60) days of the service upon you of the foreclosure complaint. If you do so and a conciliation conference is scheduled, you will have an opportunity to meet with a representative of your lender in an attempt to work out reasonable arrangements with your lender before the mortgage foreclosure suit proceeds forward.

If you are represented by a lawyer, you and your lawyer must take the following steps to be eligible for a conciliation conference. It is not necessary for you to contact MidPenn Legal Service for the appointment of a legal representative. However, you must provide your lawyer with all requested financial information so that a loan resolution proposal can be prepared on your behalf. If you and your lawyer complete a financial worksheet in the format attached hereto, your lawyer will prepare and file a Request for Conciliation Conference with the Court, which must be filed with the Court within sixty (60) days of the service upon you of the foreclosure complaint. If you do so and a conciliation conference is scheduled, you will have an opportunity to meet with a representative of your lender in an attempt to work out reasonable arrangements with your lender before the mortgage foreclosure suit proceeds forward.

IF YOU WISH TO SAVE YOUR HOME, YOU MUST ACT QUICKLY AND TAKE THE STEPS REQUIRED BY THIS NOTICE. THIS PROGRAM IS FREE.

Respectfully submitted:

Date

[Signature of Counsel for Plaintiff]

FORM 2

Cumberland County Residential Mortgage Foreclosure Diversion Program
Financial Worksheet

Date _____
Cumberland County Court of Common Pleas Docket # _____

BORROWER REQUEST FOR HARDSHIP ASSISTANCE

To complete your request for hardship assistance, your lender must consider your circumstances to determine possible options while working with your _____. Please provide the following information to the best of your knowledge:

CUSTOMER/PRIMARY APPLICANT

Borrower name(s): _____
Property Address: _____
City: _____ State: _____ Zip: _____
Is the property for sale? Yes No Listing date: _____ Price: \$ _____
Realtor Name: _____ Realtor Phone: _____
Borrower Occupied? Yes No
Mailing Address (if different): _____
City: _____ State: _____ Zip: _____
Phone Numbers: Home: _____ Office: _____
Cell: _____ Other: _____
Email: _____
of people in household: _____ How long? _____

CO-BORROWER

Mailing Address: _____
City: _____ State: _____ Zip: _____
Phone Numbers: Home: _____ Office: _____
Cell: _____ Other: _____
Email: _____
of people in household: _____ How long? _____

FINANCIAL INFORMATION

First Mortgage Lender: _____
Type of Loan: _____
Loan Number: _____ Date You Closed Your Loan: _____
Second Mortgage Lender: _____
Type of Loan: _____
Loan Number: _____

Total Mortgage Payments Amount: \$ _____ Included Taxes & Insurance: _____
Date of Last Payment: _____

Primary Reason for Default: _____

Is the loan in Bankruptcy? Yes No

If yes, provide names, location of court, case number & attorney: _____

<u>Assets</u>	<u>Amount Owed:</u>	<u>Value:</u>
Home:	\$ _____	\$ _____
Other Real Estate:	\$ _____	\$ _____
Retirement Funds:	\$ _____	\$ _____
Investments:	\$ _____	\$ _____
Checking:	\$ _____	\$ _____
Savings:	\$ _____	\$ _____
Other:	\$ _____	\$ _____

Automobile #1: Model: _____ Year: _____

Amount owed: _____ Value: _____

Automobile #2: Model: _____ Year: _____

Amount owed: _____ Value: _____

Other transportation (automobiles, boats, motorcycles): Model: _____

Year: _____ Amount owed: _____ Value: _____

Monthly Income

Name of Employers:

1. _____
2. _____
3. _____

Additional Income Description (not wages):

1. _____ monthly amount: _____
2. _____ monthly amount: _____

Borrower Pay Days: _____ Co-Borrower Pay Days: _____

Monthly Expenses: (Please only include expenses you are currently paying)

EXPENSE	AMOUNT	EXPENSE	AMOUNT
Mortgage		Food	
2 nd Mortgage		Utilities	
Car Payment(s)		Condo/Neigh. Fees	
Auto Insurance		Med. (not covered)	
Auto fuel/repairs		Other prop. payment	
Install. Loan Payment		Cable TV	
Child Support/Alim.		Spending Money	
Day/Child Care/Tuit.		Other Expenses	

Amount Available for Monthly Mortgage Payments Based on Income & Expenses:

Have you been working with a Housing Counseling Agency?

Yes No

If yes, please provide the following information:

Counseling Agency: _____

Counselor: _____

Phone (Office): _____ Fax: _____

Email: _____

Have you made application for Homeowners Emergency Mortgage Assistance Program (HEMAP) assistance?

Yes No

If yes, please indicate the status of the application: _____

Have you had any prior negotiations with your lender or lender's loan servicing company to resolve your delinquency?

Yes No

If yes, please indicate the status of those negotiations: _____

Please provide the following information, if know, regarding your lender or lender's loan servicing company:

Lender's Contact (Name): _____ Phone: _____

Servicing Company (Name): _____

Contact: _____ Phone: _____

AUTHORIZATION

I/We, _____, authorize the above named _____ to use/refer this information to my lender/servicer for the sole purpose of evaluating my financial situation for possible mortgage options. I/We understand that I/we am/are under no obligation to use the services provided by the above named _____.

Borrower Signature

Date

Co-Borrower Signature

Date

Please forward this document along with the following information to lender and lender's counsel:

- ✓ **Proof of income**
- ✓ **Past 2 bank statements**
- ✓ **Proof of any expected income for the last 45 days**
- ✓ **Copy of a current utility bill**
- ✓ **Letter explaining reason for delinquency and any supporting documentation (hardship letter)**
- ✓ **Listing agreement (if property is currently on the market)**

FORM 3

		: IN THE COURT OF COMMON PLEAS OF
		: CUMBERLAND COUNTY, PENNSYLVANIA
Plaintiff(s)	:	
	:	
vs.	:	
	:	
Defendant(s)	:	_____ CIVIL

REQUEST FOR CONCILIATION CONFERENCE

Pursuant to the Administrative Order dated _____, 2012 governing the Cumberland County Residential Mortgage Foreclosure Diversion Program, the undersigned hereby certifies as follows:

1. Defendant is the owner of the real property which is the subject of this mortgage foreclosure action;
2. Defendant lives in the subject real property, which is defendant's primary residence;
3. Defendant has been served with a "Notice of Residential Mortgage Foreclosure Diversion Program" and has taken all of the steps required in that Notice to be eligible to participate in a court-supervised conciliation conference.

The undersigned verifies that the statements made herein are true and correct. I

understand that false statements are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

Signature of Defendant's Counsel/Appointed
Legal Representative

Date

Signature of Defendant

Date

Signature of Defendant

Date

FORM 4

Plaintiff(s)	:	IN THE COURT OF COMMON PLEAS OF
	:	CUMBERLAND COUNTY, PENNSYLVANIA
	:	
vs.	:	CIVIL ACTION
	:	
Defendant(s)	:	NO.
	:	
	:	

CASE MANAGEMENT ORDER

AND NOW, this _____ day of _____, 20____, the defendant/borrower in the above-captioned residential mortgage foreclosure action having filed a Request for Conciliation Conference verifying that the defendant/borrower has complied with the Administrative Rule requirements for the scheduling of a Conciliation Conference, it is hereby ORDERED AND DECREED that:

1. The parties and their counsel are directed to participate in a court-supervised conciliation Conference on _____ at _____ .M. in _____ at the Cumberland County Courthouse, Carlisle, Pennsylvania.
2. At least twenty-one (21) days prior to the date of the Conciliation Conference, the defendant/borrower must serve upon the plaintiff/lender and its counsel a copy of the "Cumberland County Residential Mortgage Foreclosure Diversion Program Financial Worksheet" (Form 2) which has been completed by the defendant/borrower. Upon agreement of the parties in writing or at the discretion of the Court, the Conciliation Conference ordered may be rescheduled to a later date and/or the date upon which service of the completed Form 2 is to be made may be extended. Upon notice to the

Court of the defendant/borrower's failure to serve the completed Form 2 within the time frame set forth herein or such other date as agreed upon by the parties in writing or ordered by the Court, the case shall be removed from the Conciliation Conference schedule and the temporary stay of proceedings shall be terminated.

3. The defendant/borrower and counsel for the parties must attend the Conciliation Conference in person and an authorized representative of the plaintiff/lender must either attend the Conciliation Conference in person or be available by telephone during the course of the Conciliation Conference. The representative of the plaintiff/lender who participates in the Conciliation Conference must possess the actual authority to reach a mutually acceptable resolution, and counsel for the plaintiff/lender must discuss resolution proposals with the authorized representative in advance of the Conciliation Conference. If the duly authorized representative of the plaintiff/lender is not available by telephone during the Conciliation Conference, the Court will schedule another Conciliation Conference and require the personal attendance of the authorized representative of the plaintiff/lender at the rescheduled Conciliation Conference.
4. At the Conciliation Conference, the parties and their counsel shall be prepared to discuss and explore all available resolution options which shall include: bringing the mortgage current through a reinstatement; paying off the mortgage; proposing a forbearance agreement or repayment plan to bring the account current over time; agreeing to tender a monetary payment and to vacate in the near future in exchange for not contesting the matter; offering the lender a deed in lieu of foreclosure;

entering into a loan modification or a reverse mortgage; paying the mortgage default over sixty months; and the institution of bankruptcy proceedings.

5. All proceedings in this matter are stayed pending the completion of the scheduled conciliation conference.

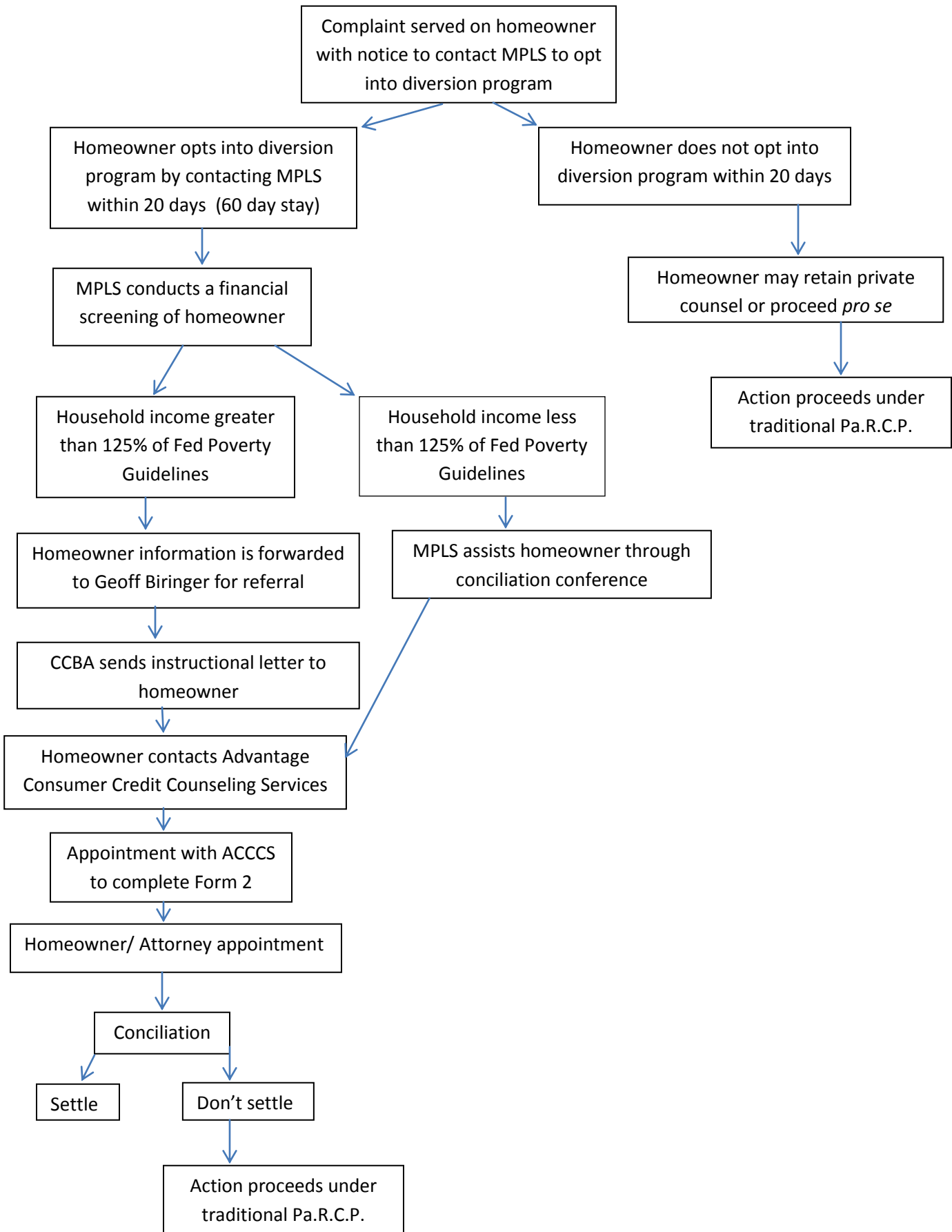
BY THE COURT,

J.

Operations of Diversion Program



**FLOW CHART OF THE CUMBERLAND COUNTY RESIDENTIAL MORTGAGE FORECLOSURE
DIVERSION PROGRAM**





Stuart Bar Center

Cumberland County Bar Association
Cumberland County Bar Foundation
Cumberland Law Journal
Cumberland County Inn of Court

32 South Bedford Street, Carlisle, PA 17013-3302

Telephone 717-249-3166

Fax 717-249-2663

Toll Free (in PA) 1-800-990-9108

Email ccba@cumberlandbar.com

Cumberland County Bar Association Cumberland Law Journal

Marcus A. McKnight, III, *President*
Becky H. Morgenthal, *Executive Director*

Date

{Client}

{Address}

{City State Zip}

Dear :

You have opted to participate in the Mortgage Foreclosure Diversion Program and are determined to be eligible for free legal services. MidPenn Legal Services is unable to represent you and has referred you to the Cumberland County Bar Association *Pro Bono* Program.

The CCBA *Pro Bono* Program provides services to individuals who currently have opted to participate in the Mortgage Foreclosure Diversion Program. There will be no charge to you for representation in the Mortgage Foreclosure Diversion Program proceedings. You may be responsible for payment of filing fees charges by the court or similar costs necessary to cover litigation. The attorney will discuss these costs with you during the initial interview and tell you what you can do if you cannot pay them.

The contact information for the attorney that has agreed to represent you is listed below:

Attorney
Law Firm
Address
Phone:

Please contact the attorney to schedule an appointment. If you are unable to keep your scheduled appointment we request that you give at least 24 hours notice if you are unable to keep your scheduled appointment with the attorney.

NOTE: You are being represented without charge only in the particular matter for which you are currently seeking representation: **Mortgage Foreclosure Diversion Program Conciliation Conference**

If you have any questions, feel free to contact me at 717-249-3166 Ext 105.

Sincerely,

Linda Ceconello
Pro Bono Coordinator

Encl: Client Responsibilities

cc: Attorney

CUMBERLAND COUNTY MORTGAGE FORECLOSURE DIVERSION PROGRAM

CLIENT RESPONSIBILITIES

In March, 2012 the Cumberland County Court of Common Pleas having recognized the current mortgage foreclosure crisis established a Mortgage Foreclosure Diversion Program. The Cumberland County Bar Association will provide *pro bono* representation to individuals opting into the Mortgage Foreclosure Diversion Program.

If you opt to participate in the Mortgage Foreclosure Diversion Program through the program, your name and the nature of your legal issue will be given to a volunteer attorney who will help you with your legal problem. CCBA will work with your attorney and will keep track of your case. If you have any questions or problems regarding your attorney, call us at 717-249-3166 Ext. 105.

The CCBA *Pro Bono* Program needs your help to make it work. ***We ask that you:***

- Remember that your attorney has volunteered to help you without any cost to you. However, there may be some court filing charges, service charges, etc you may be responsible for, ask your attorney for assistance if this is a problem.
- ***Prior to meeting with your attorney for the initial consultation, complete Form 2, Cumberland County Residential Mortgage Foreclosure Diversion Program Financial Worksheet. Form 2 was included with documents you received regarding the Mortgage Foreclosure Diversion Program.***
- **Be on time for your appointments.** Call in advance if you need to reschedule, we request that you try to give 24 hours notice.
- **Communication is very important.** Promptly return phone calls to your attorney and keep your attorney informed of any new developments with your case.
- If you have second thoughts about your legal problem, immediately discuss it with your attorney. If possible let your attorney know before papers are prepared and filed in court.
- Contact CCBA (717-249-3166) if you decide **not to use the services** of the attorney assigned to you. This will allow us to refer another person in need of legal services to that attorney.
- **If you move or change your phone number,** notify your attorney and the CCBA *pro bono* coordinator immediately. Remember communication is very important.
- **Legal matters take time.** If you believe your case is taking more time than originally estimated, call your attorney or the CCBA. Try to avoid unnecessary calls to your attorney's office. Be patient while waiting for a response.
- If another legal issue arises, remember your volunteer attorney has agreed to only represent you regarding your current legal issue. The attorney **has not agreed** to represent you in any other legal matter. Call CCBA if you need assistance with any other legal issues.

**** **We are glad that we are able to assist you** ****



CASE TRACKING FORM

TO: , Esquire

RE: Pro Bono Client

Date:

Thank you for playing a part in making the Cumberland County Bar Association *Pro Bono* Program a success. By providing *pro bono* legal services you are enhancing the quality of life and opening opportunities for the most vulnerable members of our community.

If you are still working with the *pro bono* client, please inform us of the present status of the case by completing this sheet and returning it. If you have closed the case, please indicate that information on the form and return it to the CCBA *pro bono* coordinator. The reporting of hours is very important as it will provide statistical information for the program.

CLIENT: The client never contacted me The client did not keep appointment

Case is open:

- Hearing is scheduled on _____
- I could use the help of a law student on this matter
- I could use the help of a free mediator
- I could use other assistance: _____
- Estimated time the case will remain open _____
- Estimated hours spent to date (for open or closed case) _____
- Estimated monetary benefit to client, if any (money recovered or debt avoided) \$ _____

Case is closed: Major reason case closed-check one

Counsel and advice only	Uncontested court decision
Limited action	Contested court decision
Negotiated settlement without litigation	Appeals
Negotiated settlement with litigation	Other (please specify below)
Administrative Agency Decision	Extensive Service (no settlement, court, or adm. action)

Brief description of advice given and/or service: _____

Thank you for your attention to this matter. If you have any questions, feel free to contact me.

Linda Ceconello, *Pro Bono* Coordinator
Cumberland County Bar Association
32 S. Bedford Street, Carlisle, PA 17013
Phone: 717-249-3166 Ext 105
Fax: 717-249-2663

LIMITED REPRESENTATION AGREEMENT:
MORTGAGE FORECLOSURE DIVERSION PROGRAM

This Agreement for legal representation and services is between _____,
a volunteer with the Cumberland County Mortgage Foreclosure Diversion Program, hereafter called
the "Legal Representative," and _____, hereafter called the
"Client."

The Client authorizes the Legal Representative to represent the Client in the Cumberland
County Mortgage Foreclosure Diversion Program. The Client understands that this is a limited
representation agreement, and the Legal Representative is not obligated to provide continuing
representation to the Client after the initial Conciliation Conference and any rescheduled or
supplemental Conciliation Conferences. By signing this document, the Client understands and agrees to
the limited scope of this representation.

If the Client's case does not get resolved through the Conciliation process, the Legal
Representative and the Client may decide to continue the representation of the Client in the Mortgage
Foreclosure itself, but that representation would be by separate application and agreement and is not
included in this agreement. The Legal Representative will assist with the Foreclosure Diversion
Program but will not file legal documents in the case (other than any needed to continue with the
Diversion Program) and will not enter an appearance in the foreclosure case. The Client understands
that continuing representation in the Diversion Program is not guaranteed.

I HAVE THE FOLLOWING RIGHTS AS A CLIENT:

1. To be consulted before any significant decision (including a settlement proposal) is made on my behalf, and to be given sufficient information to make an informed decision.
2. To have information regarding my case kept confidential. However, my Legal Representative may discuss certain facts of my case with other parties, to the extent that it is necessary for effective representation in this case.

AS A CLIENT I PROMISE TO DO THE FOLLOWING:

1. To consult with and cooperate with my Legal Representative, especially before communicating any decisions to opposing counsel or the lender, during the conciliation process of this Program.
2. To provide the necessary financial and other information needed as part of the Diversion Program.

LEGAL REPRESENTATIVE'S OBLIGATIONS:

1. To represent the Client free of charge, accepting no attorneys' fees from the Client.
2. To give the Client zealous but limited representation in the above-described legal matter.

Client

Date

Legal Representative

Date

Resources for Homeowners



ROLE OF ADVANTAGE CCS HOUSING COUNSELORS IN THE CUMBERLAND COUNTY MORTGAGE FORECLOSURE DIVERSION PROGRAM

1. Conduct telephone intake including demographic information, lender and loan information, and reason for the delinquency.
 - a. Inform the client of the documents needed for the Agency session as well as for the meeting with legal counsel.
2. Conduct an in-person counseling session.
 - a. Develop a “crisis” budget based on the client’s oral representation of their available sources of income, expenses, and debts.
 - i. The Agency will verify income and expenses if the client provides appropriate documentation.
 - ii. The Agency will secure a credit report (with the client’s written permission) for use in developing the budget.
 - b. Answer any questions the client may have about filling out the “Financial Worksheet” required for the Cumberland County Residential Foreclosure Diversion Program.
3. Provide a detailed and simplified explanation of what various foreclosure avoidance options are, i.e., modification, deed in lieu, short sale, etc.
4. Provide the client a copy of the crisis budget and a written action plan with various suggestions related to both the mortgage and their finances in general.
 - a. When appropriate, referral to community, state and federal resources regarding childcare, food assistance, employment assistance, etc.
 - b. List any information the client will need to take to the meeting with legal counsel.
5. Assist client with completion of the financial worksheet required under the Cumberland County Diversion Program.
6. Convey to MidPenn Legal Services or pro bono or compensated attorneys participating in the diversion program, any action plan developed with the client, along with the financial worksheet, providing the client consents to the sharing of this information.

Settlement

- A. Government Programs (*Making Home Affordable*)
 - a. **Modification**
 - i. HAMP (Home Affordable Modification Program) with Principal Reduction Alternative (PRA)
 - ii. Second Lien Modification Program (2MP)
 - iii. FHA-HAMP
 - iv. USDA's RHS Special Loan Servicing
 - v. VA-HAMP
 - b. **Refinancing**
 - i. HARP (Home Affordable Refinance Program)
 - ii. FHA Short Refinance
 - iii. FHA Second Lien Program (FHA2LP)
 - c. **Forbearance:** Home Affordable Unemployment Program
 - d. **Short Sale/Deed in Lieu:** Home Affordable Foreclosure Alternatives
- B. Traditional modification, repayment, and forbearance agreements
- C. Bankruptcy (Chapter 13)
- D. Short sale or deed in lieu agreements
- E. Remaining in possession until ejected

Litigation

- A. Lack of proper pre-foreclosure notice
- B. Lack of proper assignment & robo-signing
- C. Failure to produce note, indorsement or allonges
- D. Improper verification
- E. Excessive attorney fees
- F. Failure to attach documents
- G. Failure to evaluate for federal programs

To: Mortgage Lender/Service: _____

RE: Borrower _____

Loan # _____

Property Address _____

AUTHORIZATION

I hereby authorize you to communicate and negotiate with the following persons:

and release the following information concerning my account to them upon request:

- My eligibility for any loss mitigation or home retention programs
- My income
- My payment history and application of my payments
- The terms of my loan, including amount and itemization of payments

This authorization will be effective on the date of my signature and will continue in effect for a period of 6 months. I understand that I can also revoke this authorization at any time by writing to you.

Date

Signature of Borrower

Home Affordable Foreclosure Alternatives (HAFA)

- a. The loan servicer must be participating in HAFA or the loan must be owned or guaranteed by Fannie Mae or Freddie Mac (go to “makinghomeaffordable.gov” to see the list of servicers or to check status as a Fannie/Freddie loan)
- b. Participating servicers signed a contract with Fannie Mae to follow guidelines set forth by the Treasury Department.
- c. **If the borrower agrees to sell the house or sign a deed-in-lieu, HAFA provides \$3,000 in relocation assistance.**
- d. Even borrowers who have moved out might be eligible. They must be able to prove that they lived in the property in the past 12 months.
- e. Typically, **servicers require that the borrower make a good faith effort to list and market the property for sale before the servicer will agree to accept a deed-in-lieu**, but they may agree to accept a deed-in-lieu without requiring a marketing period.
- f. A HAFA short sale or deed-in-lieu completely releases the borrower from the debt.
- g. If a borrower requests a short sale or deed-in-lieu, the servicer has 45 days to respond by sending an agreement or denial.
- h. Every potentially eligible borrower must be considered for HAFA before the borrower’s loan is referred to foreclosure or the servicer allows a pending foreclosure sale to be conducted.
- i. The servicer may require the borrower to make a monthly mortgage payment pending transfer of property ownership. In no event may the amount of the borrower’s monthly mortgage payment exceed 31 percent of the borrower’s monthly gross income
- j. Detailed Treasury Department guidelines and model modification agreements are available online at www.hmpadmin.com
- k. General information and application forms are available at www.makinghomeaffordable.gov

Home Affordable Modification Program (HAMP)

- a. The loan servicer must be participating in HAMP or the loan must be owned or guaranteed by Fannie Mae or Freddie Mac (go to “makinghomeaffordable.gov” to see the list of servicers or to check status as a Fannie/Freddie loan)
- b. Participating servicers signed a contract with Fannie Mae to follow guidelines set forth by the Treasury Department.
- c. Modification is mandatory, except in two circumstances:
 - i. Modification would have a negative Net Present Value as compared to foreclosure (servicer will ask for Broker Price Opinion as to present value of home in order to make this calculation)
 - ii. Prohibited by servicing agreement with investor/holder.
- d. **If the regular monthly mortgage payment, including taxes and insurance, is more than 31% of the borrower’s gross income, the mortgage must be modified to lower the payment to 31% of gross income, including taxes and insurance.**
- e. The monthly payment is reduced by capitalizing accrued interest and escrow advances, lowering the interest rate, extending term, forbearing principal (creating a balloon payment) and/or forgiving principal.
- f. If denied, the servicer must provide an explanation in writing. If the reason is a negative NPV test, the borrower can request a description of the test (i.e. amounts used).
- g. **Servicers must not proceed with foreclosure until the borrower, who requests it, is evaluated for HAMP.**
- h. Detailed Treasury Department guidelines and model modification agreements are available online at www.hmpadmin.com
- i. General information and application forms are available at www.makinghomeaffordable.gov
- j. **“Principal Reduction Alternative”**: As part of the HAMP process, some mortgages may be eligible for permanent principal reduction if:
 - a. The loan is not owned or guaranteed by Fannie or Freddie
 - b. The unpaid balance of the loan, including the delinquency and escrow shortfall, is 115% or more of the property’s valueServicers have substantial discretion in offering principal reduction, but must develop and adhere to a written policy for making principal reduction determinations that treats all similarly situated loans in a consistent manner, and they are given additional incentives for reducing principal.

Interview questions

1. Reason for hardship (unemployment, temp disability, perm disability, separation or divorce, interest rate increase) _____
2. Last payment date/amount? _____
3. Amount of regular monthly mortgage payment: _____
4. If paying taxes or insurance separately, amount: _____
5. Gross monthly income: _____ x 31% = _____
6. Second mortgage payment? _____ 3rd? _____ Liens?: _____
7. Interest rate _____ Fixed or ARM? _____
8. Expecting any changes in income? _____
9. Applied for any assistance, modification or refinancing? _____
10. Any offers from servicer? _____
11. Any money saved or available to settle? _____
12. (Check website) Is servicer participating in HAMP? _____ Freddie Mac or Fannie Mae? _____
13. Loan number: _____
14. Contact info for servicer: _____

15. Contact info for opposing counsel _____

16. Make sure you have the last four digits of the borrower's Social Security number.