

# Kane County Foreclosure Mediation Plan

16<sup>th</sup> Judicial Circuit Court of Kane County  
Kane County Courthouse  
100 S. 3<sup>rd</sup> Street  
Geneva, IL 60134



# Program Purpose

## Provide an opportunity to explore alternatives to foreclosure

- Helps deal with the overwhelming number of cases
- Reduce homelessness and dislocation of families

## Prevent the abandonment of homes

- Mediation programs result in saved homes
- Graceful exist may help get new owners in the home more quickly

## Protect property values

- For every foreclosure within a quarter mile a property's value declines on average .325%
- Average Decline worse in poorer communities

## Preserve neighborhood

- Reduced tax base
- Increased crime and vandalism
- Displaced children and workforce

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# Mediation and Foreclosure

- Since 2008, Kane County foreclosure filings have peaked at an increase of over 40% and remain above 2008 levels
- Mediation programs in different jurisdictions have seen major success:
  - The most successful programs have settlement rates around 70%
  - Other programs have seen settlement rates between 55%-65%

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# First Step

## Filing and Service

- Lender files residential foreclosure case
- Gives homeowner notice about mediation

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# Second Step

## Telephone Conference

- Program Coordinator schedules a telephone conference with homeowner
- Program Coordinator explains mediation, confirms homeowner is interested, schedules a Pre-screening Meeting
- Homeowner is referred to HUD approved housing counseling agency and legal counseling services

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# Third Step

## Preparing

- Both lender and homeowner prepare for mediation, gathering needed information and documents
- Both parties have a preparation checklist and a questionnaire to complete
- An on-line video will explain foreclosure and mediation process

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# Fourth Step

## Pre-mediation Meeting

- At meeting, Program Coordinator determines if homeowner is prepared
- Once both parties are prepared the program coordinator schedules a mediation date

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# Fifth Step

## The Mediation

- The homeowner and a representative of the lender must be present for the mediation
- Mediators will be trained in foreclosure and loan modification options
- If the mediation is successful, the parties enter into an agreement and the case will be dismissed
- If no settlement is reached the case continues

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# Sixth Step

## Evaluation

- The Program Coordinator will collect data on mediations
- Report to the Court and make suggestions for improvements/adjustments in the program

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# THANK YOU

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