



# FORECLOSURE MEDIATION PROGRAM

**Q: What is mediation?**

**A:** Mediation is the process where a neutral third party (the mediator) assists the Homeowner and the Lender to reach a fair, voluntary, negotiated agreement. Mediation provides a process where Homeowners and Lenders can meet in person and exchange information and proposals in order to avoid foreclosure. Keep in mind that a mediator is not a judge and does not make decisions for the Homeowner and Lender.

**Q: Am I affected by the new Foreclosure Mediation Program or “FMP”?**

**A:** The FMP affects homeowners in owner-occupied properties who have been served a “Notice of Default and Election to Sell” that was recorded on or after July 1, 2017. If you were served a Notice of Default before July 1, the Lender must provide its written consent for you to participate.

**Q: How much will participating in this program cost me?**

**A:** Both the Homeowner and the Lender are responsible for each paying a \$250 fee for the mediation. The Homeowner must also pay a \$25 fee to the court for filing the “Petition for Mediation Assistance,” which is the first step.

1

The Lender records a Notice of Default and Election to Sell at the County Recorder’s Office. The Notice of Default and Election to Sell is mailed to the Homeowner, along with information about the Foreclosure Mediation Program and how to “petition” for mediation. The Notice of Default identifies who the “Lender” (beneficiary/servicer) and “Trustee” are.

2

--No later than **30 days after** mailing of the Notice of Default, the Homeowner must file the Petition for Mediation Assistance and pay the \$275 fee to the court. This should be done at the courthouse at 200 Lewis Ave., on the 3<sup>rd</sup> floor.  
--The Homeowner must mail copies to (1) Home Means Nevada and (2) the Lender via certified USPS mail with return receipt.

3

--If the Petition for Mediation is not filed within 30 days, a certificate will be issued to the Lender allowing the foreclosure to proceed.  
--If a Petition for Mediation Assistance is filed, the Lender must file an “Answer” in response within 10 days of receiving the petition.

4

--The court will assign a mediator to the case, and the mediator will contact the Homeowner and Lender

5

At least 10 days prior to the mediation, the parties must exchange documents. Homeowners must provide the Lender with income/expense information that the Lender can use to evaluate the Homeowner for a potential loan modification. The Lender must provide the Homeowner with: the Promissory Note, the Deed of Trust, any Assignments of either the Note or the Deed of Trust; a Short-Sale proposal; and an appraisal of the value of the property that is no older than 60 days before the mediation. A Lender that does not provide these documents will not be issued a certificate to foreclose.

6

Homeowner and Lender discuss potential foreclosure prevention alternatives. Those alternatives can include: (1) repayment plan to reinstate the mortgage; (2) loan modification; (3) short-sale; or (4) deed-in-lieu. Another option is for the parties to agree that the Lender will not foreclose for some period of time—normally 3 months—to provide the Homeowner with additional time to figure things out. At the end of that time, however, the Lender will be able to foreclose.

--At the conclusion of the mediation, the mediator will prepare a “Mediation Statement” which will let the court know if the parties were able to reach an agreement or if a certificate should be issued to allow foreclosure.

7

--The parties have 10 days to file a motion called a “Request for Relief” with the court if either of them disagrees with the mediator’s statement and recommendation.

--The court will either adopt the Mediation Statement or have a hearing on the Request for Relief.