

# About the Nevada Foreclosure Mediation Program

## CREATING THE PROGRAM

Assembly Bill 149 was passed by the Nevada Legislature during the 2009 session and signed by Governor Jim Gibbons. Its purpose is to address the foreclosure crisis head-on and to help keep Nevada families in their homes.

This law establishes a Foreclosure Mediation Program for owner-occupied residential properties that are subject to foreclosure notices – formally known as a *Notice of Default and Election to Sell* – filed on or after July 1, 2009. To qualify for the mediation program, a property must be a homeowner's primary residence and located in Nevada.

## WHAT YOU NEED TO KNOW ABOUT FORECLOSURE MEDIATION

Mediation is an alternative method to help parties resolve disputes by agreement with the help of trained mediators. Mediating a foreclosure action has its advantages. It is fast, inexpensive, and offers a flexibility that more formal processes do not.

Home foreclosures impact both the homeowner and the lender. Homeowners do not want to lose their homes and mortgage lenders do not want to be in the real estate business.

Both sides may benefit through foreclosure mediations.

## WHY SHOULD YOU MEDIATE?

**You can play a major role**, with the help of a trained mediator, in deciding the outcome of your individual dilemma. Mediation is a give-and-take process in which the parties work to reach a mutually acceptable resolution to a mutual problem. Resolutions reached through foreclosure mediations are compromises that offer advantages to lenders as well as homeowners.

If you have the ability to meet the other party half way, everyone may benefit.

- Can you, as a homeowner, make your mortgage payments if your home loan is modified?
- Can you, as a lender in today's real estate market, modify a loan to the extent that the homeowner can perform?

If the answers are YES, the Foreclosure Mediation Program may be able to save another Nevada home.

## WORKING FOR A RESOLUTION

Sometimes the parties will not be able to reach an agreement, even with the help of a trained mediator, and the home will be lost to foreclosure. That is a reality in today's economy.

But by working together to explore the various options, the hope is that a homeowner can avoid foreclosure and continue living in the home they purchased. If the mediation is successful, the homeowner may also avoid the stigma of foreclosure that can affect a person's ability to obtain credit for years to come.

However, if a homeowner does not have the financial ability to make mortgage payments, even if the loan is modified, foreclosure may ultimately result.

### **MEDIATION IS QUICK AND EFFICIENT**

Proposed Supreme Court rules limit mediations to four hours and require that mediations be conducted within 90 days of a foreclosure notice being filed.

Those same rules also require that all decision makers be present for the mediations. That means, if an agreement is reached, it can be finalized quickly.

### **MEDIATION IS COST EFFECTIVE**

Other than the filing fee paid by the lender, the cost of mediation is \$400, shared equally by the homeowner and the lender. Each party must pay their \$200 portion prior to the mediation.

A lawyer is not required to be present with you in the mediation process, but each side is welcome to have an attorney represent them.

### **AT THE CONCLUSION OF THE MEDIATION ...**

Within 10 days of the mediation, the mediator will prepare the necessary Statement of Agreement or Non-agreement and serve it on the parties. The original will be filed with the Foreclosure Mediation Program Administrator and the mediation will be closed. If there is an agreement, the parties will execute the appropriate documents. If there is no agreement, the parties will be free to pursue other legal remedies.