

## **FOR IMMEDIATE RELEASE**

### **Foreclosure Mediation Helps Save 172 Homes**

Hilo, Hawai'i – May 18, 2015 – Hawai'i Island's Foreclosure Mediation Program has helped 172 homeowners to stay in their homes. Through a partnership of Ku'ikahi Mediation Center and West Hawai'i Mediation Center, along with the Third Circuit Court, lenders and borrowers have the opportunity to utilize mediation services while in judicial foreclosure. Those pre-foreclosure can also opt for mediation as an alternative to court.

"Foreclosure Mediation is a process in which a neutral third party assists the lending institution and the homeowner to reach a mutually satisfactory agreement to prevent foreclosure," said Ku'ikahi Executive Director Julie Mitchell.

"As non-profit community mediation centers, we provide case management and mediators to facilitate dialogue and document exchange," Mitchell stated. "Our Foreclosure Dispute Resolution Specialists have extensive experience working with borrowers, lenders, attorneys, and housing counselors."

During the mediation process, lenders and borrowers engage in meaningful discussions that can lead to real resolutions. The ideal outcome is for residents to retain their houses. This win-win solution also serves the lender, by keeping the mortgage solvent, and the greater community, by reducing the negative effects that foreclosures have on neighborhoods.

"Together our mediation centers have helped save 172 homes to date, through loan modification or reinstatement," noted WHMC Executive Director Katie Woods. "If retention is not possible, other options such as a short sale, deed in lieu, or cash for keys can be discussed. These loss mitigation options help avoid the negative results of foreclosure judgments."

"For those homeowners who are pre-foreclosure, meaning you have missed or are about to miss a mortgage payment, we encourage you to contact us to see if mediation is right for you," Woods said. "For those who have received notice of judicial foreclosure, we encourage you to fill out the 'Foreclosure Mediation Request' form attached as the last page of the mailed court complaint."

In 2010, Hawai'i County had the highest foreclosure rate in the state. In response to this crisis, the Hawai'i State Supreme Court established a Foreclosure Mediation Pilot Project in the county.

A 2010 report by the Third Circuit Court stated that homeowners expressed feeling "intimidated and overwhelmed by the foreclosure process. Homeowners who have fallen behind on their bills are often in a state of stress, with worries of foreclosure, bankruptcy, and

repossession creating a sense of high anxiety. Homeowners may not know where to turn, or what options they may have available.”

Third Circuit Judge Greg Nakamura stated that, “The mediation process provides relief to homeowners within a process they can access and understand. When compared to the court process, mediation is more informal and parties have more time to negotiate and, hopefully, reach a joint agreement on the terms.”

For the past three years, the Hawai‘i Island Foreclosure Mediation Program has been funded through the Department of the Attorney General which, on behalf of the State of Hawaii, obtained a consent judgment against the five largest mortgage loan servicers in the United States. As a result of the judgment, the Attorney General received approximately \$7.9 million to be held in trust for the benefit of homeowners and others who are, have been, or may be affected by mortgage loan proceedings. As part of the consent judgment, the Attorney General developed the Foreclosure Assistance Program in an effort to immediately assist distressed homeowners through housing and financial counseling; public education, mediation, and dispute resolution efforts; and enforcement of laws and agreements protecting the rights of homeowners and lessees.

To learn more about the Foreclosure Mediation Program in East Hawai‘i, contact Ku‘ikahi Mediation Center at 935-7844 or visit [www.hawaii-mediation.org](http://www.hawaii-mediation.org) . In West Hawai ‘i, contact West Hawai‘i Mediation Center at 326-2666 or visit [www.whmediation.org](http://www.whmediation.org) .

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