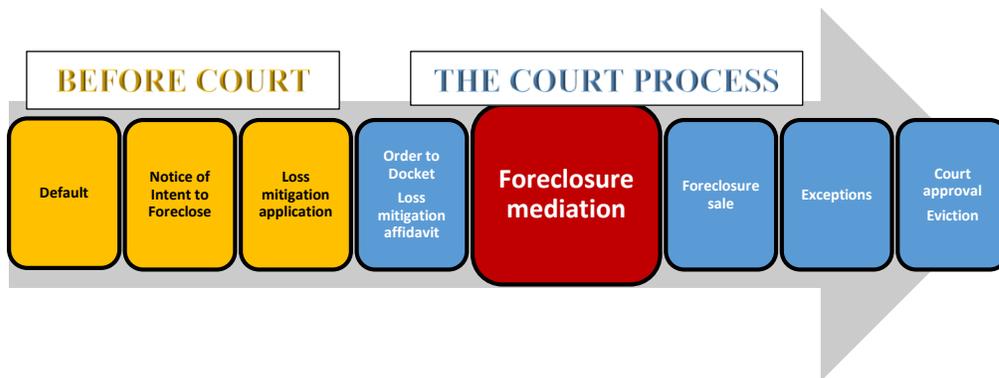




Foreclosure Mediation

Foreclosure mediation is different than mediation in other types of cases. There are also two types of foreclosure mediation: Pre-file mediation and post-file mediation. This tip sheet focuses on post-file mediation.



Who is at Mediation?

- The mediation conversation is between you (the homeowner), your lender, and an impartial person (the mediator) who will help you in reaching an agreement.
- If any party does not attend, the mediator may cancel.
 - If the lender does not attend, the circuit court may dismiss the action.
 - If you do not attend, you may lose your chance at mediation.
- All individuals listed on the mortgage should attend mediation.
- You may bring an attorney. You may also bring a friend or family member for support.

How to Request Foreclosure Mediation

- Request mediation as soon as you receive a copy of the Order to Docket.
- Look for the form and directions mailed with a Final Loss Mitigation Affidavit.
- You have 25 days to submit your request for mediation.
- Contact Maryland HOPE for free counseling on foreclosure mediation: 1-877-462-7555.
- You may add up to 60 days to the foreclosure process by requesting mediation. Those extra days can be valuable time to find ways to avoid foreclosure.
- The fee, if not waived, is \$50.

How to Prepare for Foreclosure Mediation

- Discuss your mediation strategy with a housing counselor. More information is available at mdhope.dhcd.maryland.gov.
- Submit documents before mediation:
 - Borrowers Information Worksheet
 - modification application
 - three months of bank statements
 - one month of current pay stubs
 - two years of federal income tax returns
 - recent bills
 - proof of property tax payment
 - hardship letter
 - If you are receiving benefits (social security, disability, retirement), bring proof.

What Happens During Foreclosure Mediation?

- Usually lasts for one to two hours.
- You may not reach an agreement. If you do, possible solutions include:
 - Loan modification: Terms of your loan change so that you can afford to make payments.
 - Short sale: You sell your home for less than you owe on the mortgage.
 - Deed in lieu of foreclosure: You sell your house back to the bank.
 - Cash for keys: You agree to move out in exchange for cash.
- If any debt is forgiven, you may owe taxes. Consult a tax lawyer or a CPA.

After Foreclosure Mediation

- The mediator will file a report with the court within seven (7) days.
- If you reached an agreement, the mediator may list the items of agreement and all parties will sign it.
- If you did not reach an agreement, the lender can schedule a sale as early as 15 days after mediation.

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