

MORTGAGE FORECLOSURE CONCILIATION PROGRAM

In two years, 2008-2009, the number of mortgage foreclosure filings in Lehigh County have doubled, from 899 to 1,802. The filings for 2010 are ahead of those for 2009, and the number of mortgages in default portend further increases in the number of foreclosures.

In order to process these increasing number of cases, and recognizing that mortgage foreclosures hurt homeowners, lenders, communities and the economy, the Court, in May, 2009, implemented a new program to manage these cases. The program was limited to owner-occupied, primary residences in Lehigh County and the Defendant(s) had to request a conciliation conference. Once a request was received, a conference was scheduled to get the parties together to facilitate a discussion toward resolving the case. No stay of proceedings was imposed on the litigation.

After working with the program, a number of shortcomings became evident with it. Not enough Defendants opted into the program. Lenders had not responded to requests for a repayment plan or loan modification by the time of the conference. Some properties were listed for Sheriff's sale prior to the conciliation conference.

Changes were made to the program effective September 20, 2010, in order to make the conciliation effort more meaningful for all parties. The program's eligibility requirement that the property subject to foreclosure be an owner-occupied, primary residence in Lehigh County remains unchanged. However, the Court will schedule a conciliation/case management conference in every such case upon the filing of the complaint in foreclosure. Plaintiff will be required to effect service of the complaint promptly upon the Defendant(s). The Defendant(s) will be required to contact a Housing Counselor from the Community Action Committee of the Lehigh Valley, at no charge to any party, and, before the conciliation/case management conference, return a certification to Court Administration that they will participate in the conference and will have submitted a written proposal to avoid foreclosure to Plaintiff's counsel. In the meantime, all proceedings will be stayed pending further order of Court.

The stay is intended to allow the Defendant(s) sufficient time to consult with the Housing Counselor and make a proposal to the Plaintiff to avoid foreclosure and for the Plaintiff to respond to the proposal without the uncertainty, pressure and additional costs and expenses of the entry of a judgment and scheduling of a sheriff's sale. In order to minimize the impact of a stay, the Court will schedule the conciliation/case management conferences expeditiously.

Any questions regarding the program please contact Court Administration at 610-782-3657.