

## **NEW PROGRAM**

### **MORTGAGE MODIFICATION MEDIATION**

#### ***FOR CHAPTER 13 DEBTORS ONLY***

The Mortgage Modification Mediation Program (MMM) is a new program designed to help qualified Chapter 13 debtors keep their homes by modifying their mortgage to an affordable payment. To qualify, the debtor must have steady income and pay 31% of gross income or 75% of the current mortgage payment (whichever is less) while the mediation is pending. Requesting mediation will allow debtors and lenders to discuss whether modifying a mortgage loan is feasible. Debtors who are successful may lower their monthly payment amounts and keep their homes. Lenders are protected by a “doomsday provision” giving them immediate relief from the automatic stay if the debtor fails to make the modified mortgage payment.

Mediation is an informal meeting conducted by a neutral mediator (selected at random from a list of qualified mediators) who acts as a discussion facilitator. The mediator cannot force a lender to modify the debtor’s mortgage but can help the parties reach an agreement. Mediation is simply a way for debtors and lenders to discuss whether modifying the mortgage is possible.

Qualified debtors who want to use MMM, should complete and file a Notice of Motion and Motion to Participate in Mortgage Modification Mediation Program. Click [here](#) for the required form of Motion.

**Note:** □ **The mediation fee is \$250.□ Debtors and lenders will each need to pay one-half of the fee (\$125 each) to the mediator before attending the scheduled mediation.**

After the Motion is filed, the lender will have the opportunity to consent or object to participation in MMM. Click [here](#) for a sample consent form. After the consent is filed a Mortgage Modification Mediation Order will be uploaded by the Clerk. Click [here](#)

for the required form of order. When the debtor has provided all requested documents, the debtor will file a Certificate of Readiness for mediation. Click

[here](#)

for the form. If the mediation is successful, the Debtor or Debtor's Attorney should file a Motion to Approve Stipulation along with a proposed Order Approving Stipulation once the mediation has been completed.

Please read the all of the documents so you are familiar with the requirements. For a more detailed description of the program, please click [here](#) .

### **MINIMUM QUALIFICATIONS FOR THE MORTGAGE MODIFICATION MEDIATION PROGRAM**

Only Chapter 13 debtors can request mediation

Mediation limited to the debtor's primary residence (investment properties do not qualify)

Debtor has steady income and can pay up to 31% of gross income or 75% of the debtor's current mortgage payment (whichever is less) to the modified mortgage payment

Debtor must provide signed tax returns, pay advices and other financial information requested by the lender

Debtor and the lender must each pay half of a non-refundable \$250 mediation fee (\$125 each) to the appointed mediator before attending the scheduled mediation

