



Supreme Court of Illinois

Joseph R. Tybor
Director of Communications

222 North LaSalle Street, 13th Floor
Chicago, Illinois 60601
Telephone (312) 793-2323
Mobile (312) 636-0479
Fax (312) 793-0871

May 21, 2012

MORTGAGE FORECLOSURE COMMITTEE SEEKING COMMENT ON PROPOSALS TO IMPROVE FORECLOSURE PROCEEDINGS

The Illinois Supreme Court Mortgage Foreclosure Committee is seeking comment on proposed recommendations concerning loss mitigation and mediation for mortgage foreclosure proceedings in Illinois. The proposal will be aired at a public hearing on Friday, June 8 in Chicago.

Anyone wishing to testify at the public hearing should advise the Committee in writing no later than Friday, May 25. Those wishing to offer written comments should submit them by Friday, May 25.

In April, the Foreclosure Committee held a public hearing to discuss a nine-point proposal submitted by its Practices and Procedures subcommittee.

The Mortgage Foreclosure Committee has also established a Loss Mitigation and Mediation subcommittee which has drafted 14 proposed recommended elements of mediation and mandatory pre-foreclosure loss mitigation for comment at the public hearing.

Six proposed mediation program elements under consideration are outreach, mandatory or opt-in for mediation programs, housing counseling, legal aid, establishing a pre-mediation process and trained mediators. Some of those elements to be discussed include having the court system reach out to homeowners in foreclosure to increase awareness of local mediation programs; providing housing counseling as part of the mediation process; and providing pro bono legal services to explain the foreclosure process, mortgagors' rights, possible defenses and the rights and responsibilities of the homeowner under the Illinois Mortgage Foreclosure Law.

Under loss mitigation, eight proposed program elements under consideration are transparency, notice, deadlines, escalation, no dual tracking, single point of contact, defense to foreclosure and loss mitigation affidavits. Highlights of some elements include general transparency between the lender and borrower throughout the loss mitigation process; the lender establishing an internal escalation process to deal with denials of loss mitigation; and loan modification reviews occurring before the foreclosure process has started and before fees are incurred.

Those wishing to testify in person at the hearing and those wishing to submit written comments on any of the proposals should direct correspondence in writing to:

MORE

**Committee Public Hearing
Add One**

Supreme Court Mortgage Foreclosure Committee
c/o Administrative Office of the Illinois Courts
3101 Old Jacksonville Road
Springfield, Illinois 62704

The hearing will be held June 8, beginning at 9:30 a.m. in Room C-500 of the Michael A. Bilandic Building at 160 N. LaSalle Street in Chicago.

The proposed recommendations are available on the Supreme Court website at:

http://www.state.il.us/court/SupremeCourt/Public_Hearings/Mortgage_Foreclosure/Practice_Procedures

The Supreme Court established the Mortgage Foreclosure Committee in April 2011 and charged it with the task of investigating the procedures currently used throughout Illinois in mortgage foreclosure proceedings; studying relevant Supreme Court Rules and local rules that directly or indirectly affect such proceedings; analyzing the procedures adopted in other states in response to the unprecedented number of foreclosure filings nationwide; reviewing legislative proposals pending in the Illinois General Assembly that may impact the present statutory scheme for mortgage foreclosures; and ultimately recommending to the Supreme Court mortgage foreclosure rules for statewide implementation, all with a view toward ensuring fair and efficient foreclosure proceedings.

The Committee consists of 14 persons who have been on the front lines in dealing with the housing crisis, how it affects home-owning families and well as the lenders. They are judges, bankers, lawyers, a law professor and an official from the Illinois Attorney General's office.

Justice Mary Jane Theis is the Supreme Court liaison to the Mortgage Foreclosure Committee, and Cook County Circuit Judge Lewis M. Nixon is chair of the Mortgage Foreclosure Committee. Judge Nixon serves as supervising judge of the Mortgage Foreclosure section of the Cook County Circuit Court.

–30–

(FOR MORE INFORMATION, CONTACT: Joseph Tybor, director of communications to the Illinois Supreme Court, at 312.793.2323)