



# News Release

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FOR IMMEDIATE RELEASE  
 Waukegan, Illinois

## *LAKE COUNTY COURT STRENGTHENS FORECLOSURE MEDIATION PROGRAM, LATEST CHANGES AIMED AT BOOSTING PARTICIPATION*

On January 4, amendments to the rules governing the Nineteenth Judicial Circuit Court of Lake County’s Residential Mortgage Foreclosure Mediation Program will go into effect. Informed by comprehensive data collection and meticulous evaluation, the Court amended Rule 19 to increase participation, grant homeowners and mortgage lenders more time to complete and review paperwork, and otherwise eliminate barriers to entry into the Court’s program.

Established in December 2013, the program has helped borrowers and lenders in over 300 foreclosure cases. Administered by Chicago-based Resolution Systems Institute (RSI) with support from the Office of the Illinois Attorney General, the program is based in the 19<sup>th</sup> Judicial Circuit Arbitration and Civil Mediation Center, located at 415 W. Washington Street in Waukegan. The program was established to provide homeowners struggling to navigate the court system with a fair and efficient process for resolving foreclosure cases outside of the courtroom. Among other goals, the Nineteenth Judicial Circuit Court of Lake County and RSI sought to improve the document exchange process and facilitate productive communication.

In conjunction with monitoring of the Lake County program and five other programs created with the Attorney General’s funding, RSI worked with the 19<sup>th</sup> Circuit to amend their local rules to improve upon the early success of their program. While the program helped nearly 70% of homeowners who completed the program to avoid foreclosure in its first eighteen months, low participation rates meant that there were many eligible homeowners who were not taking advantage of the program’s important services.

Originally, homeowners were required to attend in-person informational sessions in order to enroll in the program. However, RSI’s research found that similar foreclosure mediation programs that only required homeowners to make a phone call to enroll had higher rates of program participation. As a result of these findings, RSI worked with the Court to propose

amendments to the rules that replaced the requirement to attend an informational session with one to call the program and complete a telephonic screening.

To supplement the information given to homeowners over the phone, the program has also created two short videos that homeowners can watch online to help them through the initial stages of the program's process. These videos can be accessed at <https://prezi.com/8-3-7tmog06c/lake-county-foreclosure-mediation-program/> and <https://prezi.com/wcomyntviv8x/preparing-a-loan-workout-packet/>. In addition, the amendments will increase the time to complete, exchange and review paperwork after the case enters the program. This change is based on RSI's finding that the short timeframes did not allow parties to complete the document exchange process, causing delays in the mediation process and resulting in some cases returning to court without having the opportunity to participate in a mediation session.

The Court submitted the proposed amendments to the Administrative Office of the Illinois Courts, which must approve all proposed changes to local court rules, in May of 2015, and the amendments were approved earlier this month. Much like the original design of the program, developing the amendments involved great attention to detail and input from a coalition of stakeholders. Judges, court administrators, housing counseling partners, the Administrative Office of the Illinois Courts and RSI all worked together to refine these changes.

"We're looking forward to these changes going into effect on January 4<sup>th</sup>," said Circuit Judge Mitchell Hoffman, who was instrumental in formulating the amendments. "As someone who has been a part of the program for two years, I've seen how valuable it can be. Now it will be able to reach more people, and the new deadlines will allow for a more effective process for all parties involved."

In the program's first two years, 80 homeowners were able to keep their homes. An additional 16 homeowners worked out agreements to voluntarily relinquish their homes and pursue other options. Those who completed the program reported overall satisfaction with the process, stating that the program made it "[v]ery easy to sit and discuss options," and noted that, "[e]verything was friendly and fair."

In Lake County, the homeowners work with housing counseling agencies, including Affordable Housing Corporation of Lake County, Consumer Credit Counseling Services of Northern Illinois, and Catholic Charities, to gather and decipher the paperwork required to apply for a modified loan that they can afford. Working with knowledgeable counselors helps to facilitate the exchange of information between the borrowers and lenders. Once the homeowners have submitted the paperwork, mediation sessions afford the parties an opportunity to search for possible solutions with help from a specially trained mediator.

Homeowners interested in learning more about or entering the Lake County mediation program should contact Program Coordinator Olga Kordonskaya, at (847) 377-3552 or [okordonskaya@aboutrsi.org](mailto:okordonskaya@aboutrsi.org).

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