



Keep Washington Families in Their Homes

Support Foreclosure Mediation HB 1362 & SB 5275

Foreclosures affect the whole community

The ripple of the foreclosure crisis is harming neighboring house prices, creating unsafe and hollow communities and is eliminating much needed revenue generated from property taxes.

Homeowners are frustrated

Homeowners and housing counselors report that banks and servicers do not answer the phone, lose the homeowners' information about loan modifications, and have different staff people from different offices talking to a homeowner.

Mediation is A Mutually Beneficial Solution

Too many homeowners experience foreclosure when finding an alternative solution would be in the interest of both the homeowner and the mortgage holder.

Homeownership is a family's most valuable asset

Abuses in the mortgage lending market enticed and cornered homeowners into unfair and harmful mortgages, undermining the American Dream for hundreds of thousands of Washingtonians. New and current homeowners from all income levels were affected. The ripple of the foreclosure crisis is harming neighboring house prices, creating unsafe and hollow communities and is eliminating much needed revenue generated from property taxes.

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Potential Recklessness and Fraud

Now, troubling news about potential widespread loan fraud activity adds to this already devastating situation. Foreclosures have been stopped in 40 states while the internal processes of major lenders and servicers are investigated for document fraud and "robo-signing" of crucial court documents. This recklessness and potential fraud is causing families to lose their homes, especially in "non-judicial" states like Washington, where there is no oversight of the process.

WA foreclosures continue to soar

Over 30,000 families in Washington lost their homes to foreclosure last year— an increase of 70%. This year, 41,000 families may face foreclosures unless state lawmakers pass reforms that provide relief to homeowners.

Mediation is A Mutually Beneficial Solution

While not every foreclosure is avoidable, too many homeowners are unaware of alternative solutions. Implementing a mediation process in Washington State will give homeowners an opportunity for a face-to-face meeting with their lender to discuss alternatives before losing their most valuable asset.

Ensure an open foreclosure process: Any calculations used to determine eligibility of a loan modification must be provided to the borrower, thereby eliminating the guessing game of why a homeowner would be denied as well as eliminating the threat of potential fraud.

Third- Party Mediation works: 23 other jurisdictions - state and municipalities - have some sort of mediation process to seek foreclosure alternatives. These programs have found that 60% of people participating in mediation avoid losing their homes.

