

**FOR IMMEDIATE RELEASE**

**CONTACT:**  
Jennifer Lavallee  
Senior Staff Attorney  
202-661-5972

**HELP FOR STRUGGLING HOMEOWNERS: COURT IMPLEMENTS EARLY  
MEDIATION PROCEDURE IN D.C. FORECLOSURE CASES**

Washington, D.C., April 17, 2014 – The Legal Aid Society of the District of Columbia (Legal Aid) and AARP Legal Counsel for the Elderly (LCE) today announced that foreclosures in D.C. will now follow new procedures that include important protections for homeowners. Effective immediately, struggling homeowners sued for foreclosure in D.C. Superior Court will have the benefit of procedural enhancements designed to promote early resolution through court-sponsored mediation offered at the outset of every case.

These new procedures were developed over the past several months as the result of a collaborative effort by a working group made up of consumer advocates, the D.C. government, and mortgage industry attorneys. The working group ultimately recommended that the court provide early mediation in all foreclosure cases. The group also recommended a series of complementary procedures designed to encourage participation, increase access to legal and housing counseling services, and ensure that parties are prepared to have a meaningful discussion about possible alternatives to foreclosure. With support from key members of the judiciary, these recommended procedures have been set in motion.

Not only do these procedural enhancements provide important protections for homeowners, but they also provide clarity on what the judicial foreclosure process should look like in the District. Historically, mortgage foreclosures in the District have occurred almost entirely through an out-of-court process. However, following the enactment of legislation that imposed new requirements on out-of-court foreclosures, many lenders appear to be changing their approach.

Between 150 and 200 foreclosure cases have already been filed in D.C. Superior Court in the last year. These filings signal the beginning of what is expected to be a large-scale shift by lenders to file judicial cases seeking foreclosure by court order. As such, the court's implementation of early mediation and related procedural enhancements comes at a critical time.

“We are delighted that stakeholders representing such diverse interests were able to come together to reach agreement on these procedures,” said Heather Latino, supervising attorney for the consumer law unit at Legal Aid. “We look forward to staying involved in these cases and issues to serve the needs of low-income District homeowners.”

“This is a great development for homeowners in D.C.” said Amy Mix, supervising attorney for the consumer fraud and financial abuse unit of LCE. “The new judicial foreclosure procedures provide both legal and practical benefits to struggling homeowners, not to mention that early mediation is a smart use of resources for everyone if a case can be resolved early in the process.”

A Judicial Foreclosure Fact Sheet providing additional detail about the procedural changes and other recommendations of the working group is enclosed.

# # #

*For more than 80 years, the **Legal Aid Society of the District of Columbia** has been ensuring that the American system of justice works for everyone, especially those living in poverty. Legal Aid is a nonprofit law firm that, with the support of the private legal community, represents clients who have no other means of obtaining legal assistance in civil cases. Since its founding in 1932, Legal Aid has worked to help thousands of low-income D.C. residents keep their homes, stabilize their families, access health and government benefits, and feel safe in their communities. Please read our blog: [MakingJusticeReal.org](http://MakingJusticeReal.org).*

***Legal Counsel for the Elderly (LCE)** is nonprofit organization providing free service for people who are 60 or older, live in the District of Columbia, and are in need of legal assistance, ranging from information, education or advice to in-depth representation. LCE is an affiliate of AARP. Part of the Senior Services Network –Supported by the DC Office of the Aging ❄️*

# JUDICIAL FORECLOSURE FACT SHEET

## Summary of Procedural Enhancements for Judicial Foreclosure Cases

- **Prominent court notice to homeowners.** Homeowners receive a special court notice (provided along with the summons and complaint) instructing them to come to court and providing information on how to seek help from lawyers and housing counselors.
- **Retention of the initial court date, event in cases of default.** The initial court date set forth on the summons remains scheduled, regardless of whether the homeowner has timely filed an answer to the complaint (rather than the typical court practice of cancelling the initial court date in cases of default). This allows all homeowners the opportunity to request early mediation so long as they come to court. The court can extend the answer deadline until after mediation is complete – allowing litigants to focus first on attempting early resolution, and then proceeding with normal litigation if mediation is unsuccessful.
- **Special Notice of Default.** If a homeowner fails to file an answer to the complaint, the notice of default informs the homeowner that the initial court date remains scheduled and encourages the homeowner to appear.
- **Court-sponsored mediation at the outset of every judicial foreclosure case.** Parties have the opportunity to discuss alternatives to foreclosure with the assistance of a neutral, third-party mediator. Early mediation is scheduled as a first step in the litigation.
- **Special scheduling order for early mediation.** The court issues a scheduling order providing specific deadlines for document exchange and other steps necessary to ensure the parties are prepared to move forward with mediation. Pre-set status hearings provide parties the opportunity to seek court assistance in the event the parties encounter challenges preparing for mediation.
- **Consolidation of judicial foreclosure cases onto a single calendar.** All judicial foreclosure cases are initially scheduled to be heard in a single courtroom on the same day each week, allowing legal services attorneys and housing counselors to come to court at-the-ready to connect with homeowners in need of help.

## Other Recommendations of the Judicial Foreclosure Working Group

- **Protective Measures in Foreclosure Decrees.** All judicial foreclosure cases are equitable in nature, and the court has the power to shape the remedy in each case based on principles of fairness. As such, the Judicial Foreclosure Working Group has recommended that when a case must proceed to foreclosure, the court decree ordering the foreclosure should set forth certain protective measures—including a **bond requirement for trustees, court ratification of a foreclosure sale, and an accounting phase for the court to review the distribution of funds.**