

>> THANK YOU.

THE NEXT CASE -- I'D ON THE  
COURT'S AGENDA IS THE FINAL  
REPORT OF THE TASK FORCE ON  
RESIDENTIAL MORTGAGE  
FORECLOSURES.

>> [INAUDIBLE].

>> JUDGE BAILEY.

>> GOOD MORNING AND THANK YOU.

LET ME START BY ANSWERING THE...  
REAL WORLD ANSWER TO THE  
QUESTION YOU JUST ASKED.

IN MIAMI-DADE COUNTY, THE 11th  
CIRCUIT, YOU GET FORECLOSURE  
FINAL JUDGMENT TODAY, YOUR SALE  
DATE IS NEXT JUNE.

AND THE REASON FOR THAT IS  
BECAUSE, 65%, MONTH IN, MONTH  
OUT, FOR THE BETTER PART OF 11  
MONTHS, 65% OF OUR SALES ARE  
BEING CANCELLED.

AND THEY ARE BEING CANCELLED NOT  
BECAUSE PEOPLE ARE COMING IN AT  
THE LAST KNOWN SAY THEY ARE  
NEGOTIATE.

THEY ARE BEING CANCELLED, DUE TO  
THESE NO-SHOWS.

>> AND ORDERS THAT AUTOMATICALLY  
CANCEL THEM.

>> NO, THERE IS NO ORDERS, THEY  
JUST DON'T SHOW UP BECAUSE THAT  
WHAT IS THE LANGUAGE THAT IS IN  
THE PROPOSED FINAL JUDGMENT,  
THAT CAME FROM CIVIL RULES...

[INAUDIBLE] SAYS, THAT YOU CAN  
CANCEL, BY NOT APPEARING.

>> WHAT I'M SAYING.

>> YES.

>> BECAUSE ACROSS THE STATE,  
JUDGES HAVE NOW BEEN PUTTING  
THOSE ORDERS, THOSE CLAUSES --

>> ORDERS FOR YEARS AND WE HAVE  
BEEN TAKING THEM OUT IN DADE  
SINCE MAY, TO TRY AND PUT AN END  
TO THIS.

BECAUSE IN ALL CANDOR WE CANNOT  
AFFORD TO WASTE 65% OF OUR SALES  
CAPACITY...

>> THIS CLAUSE HAS BEEN IN THERE  
ALL THE TIME.

>> YES.

YES.

IT HAS BEEN IN THERE.

>> AND NOW YOU WANT IT TAKEN

OUT.

>> RIGHT.

>> FOR THIS SITUATION.

>> IT IS -- IT'S THE FLAT TIRE

SITUATION AND AS JUSTICE LEWIS

SIT IS ALMOST IMPOSSIBLE TO GET

A SALE SET ASIDE BUT THE TRUTH

OF THE MATTER IS NOW, I'M

GETTING MOTIONS TO RESET SALES

THAT ARE AFTER THE SALE DATE,

THEY WANT A NEW SALE DATE AND

BECAUSE THEY DIDN'T HAVE THE

FAIR MARKET VALUE AND WAITED

FOUR MONTHS FOR THE SALE DATE

AND DON'T HAVE A FAIR MARKET

VALUE?

>> AND THE JUDICIAL LABOR, IS

CANCELLED --

>> WE HAVE --

>> YOU HAVE TO RESET IT.

>> YES.

>> AND WHAT THIS WOULD DO FROM  
THE PREVIOUS --

>> RIGHT.

>> REQUIRE THE MOTION TO CANCEL  
AND THEN IT COULD BE RESET IN  
THE SAME TIME.

>> CORRECT.

>> AND YOU SAY -- THIS ISN'T ALL  
THE CASE.

I DON'T RECALL, I HAVE BEEN UP  
HERE NOW TEN YEARS, 11, I DON'T  
RECALL THOSE PHRASES BEING IN  
THOSE FINAL JUDGMENTS YEARS AGO.

I MEAN, THIS MUST BE A RECENT --

>> IT PROBABLY IS.

>> OKAY.

>> IT HAS BEEN HARD ENOUGH TO  
FIGURE OUT WHAT HAS BEEN GOING  
ON THE LAST TWO YEARS, AND I  
HAVEN'T GONE MUCH FARTHER BACK  
BUT SINCE AT LEAST 2006.

>> OKAY.

>> OKAY.

ONTO THE TASK FORCE REPORT.

THE TASK FORCE WAS CHARGED WITH

COMING UP WITH POLICIES,  
PROCEDURES, STRATEGIES AND  
METHODS TO... [INAUDIBLE] THAT  
WAS THEIR PRIORITY.

>> JUDGE BAILEY, SINCE WE DO  
HAVE LIMITED TIME HERE, I WANT  
TO GET TO AN ISSUE THAT I  
NOTICED IN ONE OF THE COMMENTS,  
THAT I FIND A LITTLE BIT  
DISTURBING AND ONE OF THE  
COMMENTATORS HAS SAID THAT THE  
TASK FORCE PROPOSAL REALLY IS A  
PROPOSAL THAT IS GOING TO HELP  
ONLY ONE ENTITY IN THIS STATE,  
WHO HAS ALL THE REQUIREMENTS FOR  
THIS PROGRAM MANAGER OR -- SO I  
WANT YOU TO ADDRESS THAT  
PARTICULAR ISSUE.

ARE THERE ENTITIES, MORE THAN  
ONE ENTITY OUT THERE, THAT CAN  
ACTUALLY DO THIS, MANAGED  
FORECLOSURE, THAT WE ARE TALKING  
ABOUT?

>> THERE IS A LOT OF SPECULATION  
ABOUT THE... CENTER AND WHETHER

WE ARE CREATING A MONOPOLY AND  
CALL IT WHAT IT IS AND THE  
BOTTOM LINE.

>> NO.

WE WANT OTHER ENTITIES TO DO  
THIS.

IT IS NOT THAT --

>> ARE THERE OTHER ENTITIES WHO  
ARE ALREADY OUT THERE, AND  
AVAILABLE AND CAN DO IT IF THIS  
WENT INTO TICKET IMMEDIATELY.

>> IF IT WENT INTO AFFECT  
IMMEDIATELY I CAN'T ANSWER THAT.

THE AMERICAN ARBITRATION  
ASSOCIATION DID MASS MEDIATIONS  
IN MISSISSIPPI AND LOUISIANA FOR  
KATRINA.

COLIN CENTER'S ABILITY TO DO  
THIS CAME OUT OF THEIR  
EXPERIENCE IN MASS MEDIATION IN  
CONNECTION WITH THE LIFE  
INSURANCE STUFF AND THE  
HURRICANE WORK.

SO, AAA MAY HAVE THE CAPACITY TO  
DO IT BUT IN ESSENCE WHAT IT

DOES IS, COLLINS IS A THINK TANK  
AND DEVELOPED THIS THING AND  
DON'T WANT TO RUN IT STATEWIDE.  
WE TALK TO THEM ON -- TALKED TO  
THEM ON THE TASK FORCE AND THEY  
SAID WE DON'T WANT TO RUN IT  
STATEWIDE.

WE WANT TO HELP OTHER PEOPLE  
DEVELOP PROGRAMS SO THAT EACH --  
WE HAVE MORE THAN ONE ENTITY  
DOING THIS.

AND WE ARE IN THE TRYING TO  
CREATE A BUSINESS MODEL OR  
MONOPOLY FOR THE COLLINS CENTER  
AND THAT IS WHY WE VERY  
SPECIFICALLY SAID, EVERY CIRCUIT  
SHOULD BE ABLE TO PICK THEIR OWN  
AND --

>> BUT I GUESS MY QUESTION IS,  
ARE THERE ENTITIES TO PICK FROM?

>> THERE ARE.

PUT IT THIS WAY:

THERE IS A SUBSTANTIAL BACK  
OFFICE PIECE OF THIS, NO  
QUESTION, BECAUSE THE MOST

IMPORTANT PART OF THIS IN ALL  
CANDOR IS THE OUTREACH OF BEING  
ABLE TO CONTACT BORROWERS WHO  
ARE AT THE END OF THEIR ROPES  
AND GETTING THEM IN TO THE  
SYSTEM.

I HAVE HAD -- WOULD NOT BE AN  
EXAGGERATION TO SAY CLOSE TO A  
THOUSAND DIFFERENT MEDIATION  
PROPOSALS ACROSS MY DESK.  
HAVE THEY REPRESENTED THIS  
SPECIFIC CONSTELLATION OF  
CRITERIA?

NO.

I CAN'T TELL YOU THEY'VE DONE  
THAT.

BUT DO I THINK THIS IS  
REPRODUCIBLE?

ABSOLUTELY, THIS IS NOT BRAIN  
SURGERY, THIS IS COMMON SENSE.

>> ONE THING I WAS CONCERNED  
ABOUT, INITIALLY, IS THAT I  
THINK IT IS A PROBLEM WHEN THE  
COURT SYSTEM ADISAPPOINTS ONE  
GROUP OR ONE THING, TO DO THE

WORK.

BUT WHEN YOU START GOING BEHIND  
IT, IF YOU CAN MAKE THAT SO THAT  
EVERY MEDIATOR IN THE STATE OF  
FLORIDA IS PART OF THE PROCESS,  
IT SORT OF... THE -- TESTIFIERS  
THAT A LITTLE BIT BUT THE  
QUESTION I HAVE, MY CONCERN  
WOULD BE, IF WE START HAVING  
START-UP BORROWER MEDIATION-TYPE  
ORGANIZATIONS, CREATED -- OR  
LENDER ORGANIZATION CREATED FROM  
WHOLE CLOTH THAT CAN BE  
DEVASTATING TO THE PROCESS AND  
MY CONCERN WOULD BE, HOW DO YOU  
ASSURE THE INDEPENDENCE?  
IF YOU WOULD GO WITH EXISTING  
MEDIATION FIRMS ACROSS THE  
STATE, THAT HAVE BEEN DOING THIS  
AS WE HAVE -- MAYBE THEN, BUT  
WHERE IS THE... I DON'T SEE  
THERE ARE THOSE OUT THERE THAT  
WORK STATEWIDE.  
I MEAN, I HAVE SEEN THEM  
ADVERTISED, A FEW IN SOME AREAS.

>> THAT IS WHY WE SAID DO IT ON  
A CIRCUIT BY CIRCUIT BASIS, THE  
MEDIATORS WITHIN THE CIRCUIT  
KNOW THEIR CIRCUIT THE BEST AND  
GO TO AN RFP PROCESS.

COLLINS ORIGINALLY DESIGNED THE  
PROGRAM AND SHOPPED IT TO THE  
CHIEF JUDGES.

[INAUDIBLE] AND I CAN ONLY SPEAK  
TO WHAT WE DID AND WE TACK THAT  
AND SUBSTANTIALLY CHANGED IT AND  
NEGOTIATED THE FEES  
SUBSTANTIALLY DOWN, I MIGHT ADD.

>> HOW LONG WILL IT TAKE IF WE  
HAVE TO DO THIS, WITH SO MANY  
DIFFERENT ENTITIES, WILL THE  
CRISIS BE PASSED BEFORE WE HAVE  
IT IN PLACE IN THE DIFFERENT  
CIRCUITS.

>> I CAN'T SPEAK TO THAT BUT  
THERE ARE A LOT OF -- THE LIST  
OF MEDIATORS IS OPEN AND  
EVERYBODY SHOULD BE ON THE  
ROTATING LIST IF THEY HAVE TAKE  
THEN FORECLOSURE TRAINING AND

WHAT WE ARE REALLY TALKING ABOUT  
IS THE MANAGEMENT OF THE  
PROCESS.

SO THE QUESTION, REALLY IS, IS  
THE TASK FORCE, REMEMBER WE'RE  
ON A REALLY COMPRESSED  
TIMEFRAME.

AND WE WERE NOT ABLE TO GO OUT  
THERE AND PULL SPECIFICALLY HOW  
MANY PEOPLE WOULD BE INTERESTED,  
IN CREATING THE -- HAVING SAID  
THAT, WE HAD A REALLY  
SUBSTANTIAL POPULATION FROM THE  
ADR COMMUNITY ON THIS TASK FORCE  
AND MUST HAVE HAD, WHAT, FOUR  
PEOPLE FROM ADR RULES, POLICY,  
AND NOT ONCE DID ANYBODY SAY,  
NOBODY ELSE CAN DO THIS BUT --

>> I WANT TO BE SURE I  
UNDERSTAND SOMETHING AND THE  
THRUST IS TO HAVE MANAGED  
MEDIATION AND SOMEBODY OUTSIDE  
THE COURT SYSTEM IS CONTACTING  
PEOPLE, SETTING UP THE  
MEDIATION.

>> RIGHT.

>> IF WE HAD OUR IDEAL SITUATION AND HAD FUNDING, THE COURT SYSTEM WOULD WANT TO HAVE A STATEWIDE SYSTEM THAT WAS UNIFORM AND USE ALL THE MEDIATORS, JUSTICE LEWIS SAID TO ACTUALLY DO THE MEDIATION AND WE DON'T HAVE THAT CAPACITY OR THAT MONEY.

>> RIGHT.

AND THE BOTTOM LINE, IT WAS A REAL WORLD SOLUTION TO AN IMPOSSIBLE...

>> BECAUSE I WANT TO BE SURE WE UNDERSTAND THAT IF -- RIGHT NOW, WHAT I'M UNDERSTANDING IS AND EVEN FOR A FIRM LIKE MR... THEY ARE GOING TO 0 DIFFERENT CIRCUITS AND IT IS BEING DONE T 20 DIFFERENT WAYS OR MAYBE NOT, MAYBE MORE.

>> IT IS BEING DONE DIFFERENT WAYS.

>> AND SO, THE I THINK I WAS

INTERESTED IN IS THE FEE

STRUCTURE.

AND I KNOW THAT IS GOING TO BE A

SUBJECT OF SOME DISCUSSION.

IS THE CAP, \$750, THAT WOULD BE

CHARGED.

>> WE LEFT IT TO THE MARKET.

>> THAT CONCERNS ME.

IN OTHER WORDS, IF WE ARE GOING

TO HAVE SOMETHING THAT IS

STATEWIDE SHOULDN'T WE SAY, THAT

IT IS CAPPED AT \$750 AND

SHOULDN'T WE ALSO SAY THAT IT

IS... STAGED, THAT IS IF THE

BORROWER, DOES NOT OPT IN, THAT

IT IS ONLY, YOU KNOW, FEE OF 100

ORDERS WHATEVER IT IS, THAT

IS...

>> ABSOLUTELY.

ABSOLUTELY.

>> WHY SHOULDN'T -- AND FOR

UNIFORMITY, I KNOW YOU WANT TO

GIVE EACH CIRCUIT, YOU KNOW,

WIGGLE ROOM, BUT WHY WOULDN'T ON

THIS MOST IMPORTANT ISSUE OF

COSTS, WE MAKE SURE THAT A -- IF  
BORROWERS DON'T SHOW UP THERE IS  
A MINIMAL INVESTMENT ON THE PART  
OF THE LENDER?

>> WE CAN DO THAT AND I DON'T  
THINK THAT IS A PROBLEM, THE  
TASK FORCE SUGGESTED ONE  
STAGING, IF YOU WANTED TO DO A  
DIFFERENT -- ARE SEVERAL  
BENCHMARKS AND YOU CAN DO THE  
INITIAL OUTREACH, AND THE  
FORECLOSURE COUNSELING, AND THE  
TRANSMITTAL OF THE FINANCIAL  
DOCUMENTATION, SECOND STAGE FOR  
THE MEDIATION IS THE THIRD  
STAGE.

>> IN THE FINAL ANALYSIS,  
DOESN'T THE REPORT SAY, HOWEVER,  
THE COST OF THE MEDIATION IS  
RECOVERABLE IN THE FINAL  
JUDGMENT, SO THE BORROWER IS  
EVENTUALLY GOING TO BE THE ONE  
WHO PAYS ALL OF THE MONEY?

>> I MEAN, LET'S BE REAL AND THE  
OPPOSITION STATED AND IT'S TRUE,

THE IDEA OF HOW MANY PEOPLE WILL  
COLLECT ON THOSE POSSIBLE  
DEFICIENCIES?

THAT IS PROBABLY SPECULATIVE.

THE -- THEY ARE BEING POOR,ED,  
AT THIS POINT IN TIME.

AND SO THIS IS COLLECTION AGENCY  
AND SOME EFFORT MAY BE MADE TO  
COLLECT THEM, BUT, ULTIMATELY,  
THE BORROWER IS BEARING THE COST  
IN THE FINAL JUDGMENT.

>> FANNIE MAE AND IN ITS  
RESPONSE SUGGESTS THERE BE AN  
OPT IN PROVISION FOR THE  
BORROWERS AND JUSTICE PARIENTE  
MENTIONED AN OPT-IN PROVISION,  
IS THAT IN YOUR RECOMMENDATION.

>> EVERYBODY USED THE WORDS OPT  
IN AND OPT OUT IN THE COMMENT  
AND IT GOT CONFUSING WHAT THAT  
IS AND TRIED TO ADDRESS THAT IN  
OUR RESPONSE, HERE'S HOW IT  
WORKS, YOU HAVE TO UNDERSTAND  
MOST PEOPLE IN FORECLOSURES -- I  
USE THE TERM IN THE REPORT, AND

I WANT TO BE SURE EVERYBODY UNDERSTANDS IT, LIVE IN AN ORAL CULTURE, AND THAT IS NOT WHERE YOU CAME FROM, HOW YOU GET INFORMATION, ARE YOU A MAP READER OR ASK DIRECTIONS AND MOST OF THE PEOPLE WE ARE TALKING ABOUT, THIS IS THE MOST COMPLICATED TRANSACTION THEY'VE DEALT WITH IN THEIR ENTIRE LIVES, A PIECE OF COMMERCIAL REAL ESTATE AND HANDING THEM A PIECE OF PAPER SAYING THIS IS THE PROGRAM, AND BLAH, BLAH, BLAH, BLAH, BLAH IS OVERWHELMING THEM AND DOESN'T HELP THEM AND A KEY PART OF THIS, BECAUSE THE REASON WHY THE LOST MITIGATION EFFORTS ARE NOT WORKING IS BECAUSE, IN MANY RESPECTS, THE SERVICERS ARE REALLY OVERWHELMED AND IT'S NOT THEIR FAULT, BUT IN ADDITION, BORROWERS DON'T RESPOND BECAUSE THEY DO NOT UNDERSTAND IT AND ARE NOT

INFORMED ABOUT IT AND DON'T  
TRUST ANYBODY AND IT IS REALLY  
COMPLEX AND THE IDEA OF THE  
OUTREACH, IS JUST TO GET IN  
TOUCH WITH THE BORROWERS AND  
SOMEBODY THEY CAN ASK A QUESTION  
TO AND TALK TO THEM ABOUT THE  
PROGRAM AND AT THAT POINT IN  
TIME, THEY OPT IN.  
THEY CAN SAY THEY DON'T WANT TO  
DO IT AND DON'T HAVE TO DO IT.  
WE EXPLAIN TO THE COURSE OF THIS  
EXACTLY WHAT YOU HAVE TO DO, IF  
YOU IF YOU COME IN YOU HAVE TO  
GIVE UP YOUR FINANCIAL  
DOCUMENTATION AND WHAT GOES ON  
IN THE MEDIATION, IF IT IS  
SUCCESSFUL IS A REUNDERWRITING  
OF THE LOAN IF IT IS MODIFIED  
AND SO IT IS A MODIFIED OPT-IN  
AND IT HAS THE OUTREACH BECAUSE,  
THE WHOLE IDEA OF THIS, IS NOT  
TO HELP BORROWERS, THAT IS A LOT  
-- LAUDABLE GOAL AND NOT TO HELP  
LENDERS, THAT IS A LAUDABLE GOAL

AND THIS IS A CASE MANAGEMENT  
TOOL AND THAT IS WHAT WE WERE  
CHARGED WITH --

>> AGAIN, BACK TO THE ORIGINAL  
QUESTION, ABOUT OPT IN VERSUS  
OPT OUT, WHAT YOU HAVE HERE IS  
THAT EVERY RESIDENTIAL PROPERTY,  
HOMESTEAD PROPERTY, WOULD BE  
TOLD ABOUT -- TO GO TO  
MEDIATION.

>> WITH AN INSTITUTIONAL LENDER.

>> AND YOU WOULD HAVE TO OPT OUT  
OF IT, AS OPPOSED TO GIVING THE  
BORROWER THE OPPORTUNITY TO SAY,  
YES, I WANT TO GO TO MEDIATION,  
THAT IS -- I THINK THAT IS WHAT

--

>> THE DIFFERENCE --

>> YOU ARE ASKING.

>> YOU KNOW, EVERYBODY AGREES,  
MEDIATION IS A GREAT THING, AND  
WHAT WE ARE REALLY TALKING  
ABOUT, IN MOST OF THESE COMMENTS  
IS WHO WILL PAY FOR IT AND WHEN,  
AND THE IDEA IS SHOULD WE JUST

GIVE THE BORROWER SOME PAPERS,  
AND TELL THEM YOU HAVE TO CALL  
THIS NUMBER TO GET IN.

OR, DO WE GO TO THE EFFORT TO  
TRY AND REACH OUT TO THEM AND  
FIND OUT, IF THEY WANT TO COME  
IN.

EITHER WAY...

>> THEY ARE -- I GUESS --

>> EITHER WAY THEY HAVE TO SAY I  
WANT?

>> SO IT IS JUST, JUST STAGED  
AND THE NEXT STAGE IS, THEY HAVE  
TO -- IN ORDER TO ACTUALLY  
PARTICIPATE THEY HAVE TO GO  
THROUGH THE FORECLOSURE OR  
FORECLOSURE --

>> THE FINANCIAL DOCUMENTATION,  
BECAUSE NONE OF THIS WILL HAPPEN  
WITHOUT THE BANK GIVING THE --  
GETTING THE FINANCIAL  
DOCUMENTATION AND YOU ARE WAVING  
A QUESTION, AND LET ME JUST  
FINISH THE ANSWER AND THE OTHER  
BIG GAP HERE, ASIDE FROM THE

INITIAL COMMUNICATION PROBLEM,  
IS PEOPLE ARE SENDING FINANCIAL  
DOCUMENTS OVER AND OVER AGAIN  
AND ARE LOST AND MAKE PHONE  
CALLS OVER AND OVER AGAIN AND WE  
ARE IMPOSING STRUCTURE ON AN  
EXTREMELY CHAOTIC SITUATION,  
WITH THE LOSS MITIGATION PROCESS  
AND ONE THING THAT THE COMMENTS  
DON'T RECOGNIZE IS THERE IS  
ECONOMIC VALUE TO THIS, FOR THE  
INSTITUTION, YES.

>> JUSTICE PERRY WANTS TO KNOW  
WHAT PERCENTAGE OF THE  
FORECLOSED BORROWERS ARE  
ACTUALLY PRO SE.

>> 95%.

A HUGE AND VAST NUMBER.  
AND THERE WAS DISCUSSION IN THE  
COMMENT ABOUT WHETHER OR NOT THE  
ONLY CASES THAT SHOULD GO TO  
MEDIATION SHOULD BE... CASES.  
THAT IS REALLY PROBLEMATIC.  
BECAUSE, THE TRUTH OF THE MATTER  
IS, THERE IS A POINT OF VIEW

THAT SAYS IF THE PEOPLE CARED  
ABOUT THE CASES THEY'D HIRE  
LAWYERS.

YOU KNOW WHAT?

A, IF THEY WERE IN FORECLOSURE,  
THEY ARE IN FORECLOSURE, BECAUSE  
THEY DON'T HAVE A LOT OF MONEY  
AND, B, IS, MOST OF THESE FOLKS  
AREN'T -- THEY WANT -- AREN'T  
DENYING THEY ARE IN DEFAULT AND  
TRYING TO PULL VOODOO DELAY  
TACTICS AND THEY DON'T WANT TO  
DELAY, THEY WANT TO KNOW IF THEY  
CAN WORK OUT AND CALL AND CALL  
AND CALL AND CAN'T GET THROUGH  
AND THE SERVICERS SIDE, THE  
DOCUMENT

--

>> MAYBE WE ARE COMING AROUND  
THE CORNER.

>> AT SOME POINT.

>> THERE SHOULD BE A PROGRAM  
EVALUATION.

>> HOW LONG BEFORE YOU SAY WE  
SHOULD DO THAT?

>> AT THE END OF THE YEAR.

AFTER THAT, I AM GETTING  
STATISTICS EVERY MONTH.

>> WHEN SHOULD WE -- WHAT IS  
YOUR RECOMMENDATION WHEN WE  
SHOULD LOOK AT THIS?

>> I WOULD SAY A YEAR.

A YEAR FROM WHEN THEY COME ON  
LINE PROBABLY.

THERE IS SOME RAMP UP TIME IN  
PUBLIC EDUCATION.

>> THERE ARE OTHER COMMENTS THAT  
WERE MADE THAT SUGGEST MANAGED  
MEDIATION PROGRAMS THAT ARE  
ALREADY OUT THERE ARE NOT AS  
SUCCESSFUL AS ONE WOULD THINK.

WE DON'T HAVE ANY REAL  
INFORMATION ABOUT WHAT IS  
HAPPENING WITH THESE PROGRAMS  
THAT ARE OUT IN SEVERAL  
CIRCUITS.

>> EVERYTHING THE TASK FORCE  
RECOMMENDED, THERE'S A LOT GOING  
ON.

WE DECIDED TO IGNORE IT ALL AND

FIND EMPIRICAL EVIDENCE FOR  
EVERYTHING.

THE NUMBERS ARE THE NUMBERS.

I HAVE BACKED UP WITH THE  
COLLINS CENTER NUMBERS.

I WOULD BE LYING IF I SAID I  
READ IT.

I HAVEN'T READ IT ALL.

THE TRUTH OF THE MATTER IS I GOT

A COMPLIANCE NOTICE ON

EVERYTHING THE CENTER DOES.

PERCENTAGEWISE OF THE CASES THAT

HAVE BEEN THROUGH THE PROCESS

ARE VERY HIGH RATE CONSISTENT

WITH SUCCESS RATES OF MANAGED

MEDIATION AND FORECLOSURE

PROGRAMS ACROSS THE COUNTRY.

>> YOU WERE TASKED BY THIS COURT

IN MARCH WITH A VERY

OVERWHELMING TASK.

AS A LONG-TERM JUDGMENTS

SOMEBODY WHO HAS BEEN STUDYING

THIS, YOUR RECOMMENDATION TO THE

COURT IS THE BEST SOLUTION FOR

RIGHT NOW IS FOR THIS COURT TO

APPROVE AN ADMINISTRATIVE ORDER  
TO REQUIRE MANAGED MEDIATION IN  
ALL OF THE CIRCUITS.

>> THERE IS A FLIP SIDE.

HOMESTEAD OR OCCUPIED CASES ARE  
GOING TO SETTLE.

THE OTHER END OF THIS IS JUST AS  
IMPORTANT BUT WE DIDN'T GIVE A  
LOT OF INK.

JUDGES KNOW HOW TO SET  
CALENDARS.

>> WE ARE ONLY DEALING WITH  
BORROWER UNKNOWN AND OCCUPIED  
RESIDENTIAL HOMESTEAD  
PROPERTIES.

[TALKING OVER EACH OTHER]

>> APPARENTLY THAT IS A LARGE  
NUMBER OF FORECLOSURES GOING ON.

>> THERE'S A LOT OF DEBATE ABOUT  
THAT.

WE ARE WORKING OFF OF THE 50%  
NUMBER.

>> IF IT IS NOT A LARGE AMOUNT  
IT WILL NOT HAVE A LARGE IMPACT.

>> ONE PERSON -- IT IS HUGE.

THE IMPORTANT THING FROM CASE  
MANAGEMENT STANDPOINT IS WHAT IT  
WILL IMPACT IS GOING TO GET SOME  
CASES OUT EARLY.

WHERE I HAD TO GIVE A CASE FULL  
JUDICIAL RESOURCES AND THEY HAD  
A LAST-MINUTE CANCELLATION,  
THERE'S A WAIVER LATER IN THE  
PROCESS.

NOT THE SALE DATE BUT BEFORE THE  
JUDICIAL PROCESS.

>> WE WILL GIVE YOU A MINUTE TO  
SPEAK AT THE END AFTER WE HEARD  
FROM THE OTHER PEOPLE HERE.

>> GOOD MORNING.

I AM HERE TO REPRESENT THE  
MINORITY VIEW.

IN A PERFECT WORLD WE WOULD HAVE  
PUBLIC FUNDING OF THIS  
PARTICULAR PROGRAM AND THAT  
MAKES SENSE BUT WE ARE NOT  
THERE.

THE MINORITY POSITION IS THOSE  
WHO HAVE THE ABILITY TO PAY  
SHOULD PAY SOMETHING FROM THE

BORROWER'S STANDPOINT.

>> I WANT TO MAKE SURE YOU ARE NOT THERE FOR THE MAJOR PROPOSAL WHICH IS MANAGED MEDIATION TO RECHECK THE BORROWER.

>> WE THINK THAT IS ESSENTIAL.

>> I AM NOT SAYING WHO PAYS IS SIGNIFICANT BUT I WANT TO MAKE SURE THE MINORITY OF THE COMMITTEE AGREES WITH THE ESSENTIAL ELEMENTS.

>> THERE ARE ONE OR TWO WOULD PREFER NOT TO HAVE ANYTHING.

OUR POSITION IS THIS IS A SITUATION WHERE PEOPLE THAT HAVE THE ABILITY TO CONTRIBUTE TOWARDS THE MEDIATION PROCESS HAS ANY OF THE LITIGATION TO BE PART OF THAT AND HAVE TO STEP UP TO DO IT.

>> THAT IS THE NORMAL WAY OF DOING IT BUT IN THE PROCESS, PHYSICAL APPEARANCE BY ALL PARTIES, THIS RECOMMENDATION, LENDERS ARE NOT REQUIRED TO

PHYSICALLY BE THERE.

THEY CAN APPEAR BY PHONE.

>> IF YOU COMPARE THE NUMBER OF PERSONAL-INJURY CASES, THE SHEER NUMBER OF CASES WE ARE TALKING ABOUT IS SURPASSING ANY SORT OF NUMBERS ON PERSONAL INJURY.

THE POINT I WANT TO MAKE IS THE IMPACT FINANCIALLY FOR THE SERVICERS, I WILL NOT PLAY VIOLIN FOR THEM BUT THEY HAVE TO HIRE PEOPLE TO BE ON THE OTHER END OF THE PHONE CALL IN OUR VIDEO CONFERENCE TO DISCUSS THIS.

>> IF THERE WAS.

THE DEVIL IS IN THE DETAILS.

WHAT I AM UNDERSTANDING IS YOU HAVE 95% OF THESE BORROWERS--THE FIRST STAGE MAY COST \$125 OF MEDIATION.

IF THAT IS ADVANCED BY THE LENDER TO SEE IF THE BORROWER WILL PARTICIPATE, ISN'T THERE SOME WAY YOU ALL TALK ABOUT THAT

AT THE TIME THE MEDIATION IS  
SCHEDULED, SOMEBODY DETERMINES  
WHETHER THAT BORROWER HAS \$100  
OR \$200 KICK IN FOR THE  
MEDIATION?

>> THE MAJORITY MODEL OF THE  
ADMINISTRATIVE ORDER AS PROPOSED  
SAYS EVERY HOMESTEAD ORDER WHO  
SAYS YES TO THE MEDIATION -- THE  
SERVICERS DON'T HAVE TO PAY \$750  
FOR THE PROCESS.

>> BUT THAT ONLY OCCURS AFTER  
WHAT JUDGE BAILEY SAID WHICH IS  
THE HARDEST THING IS GETTING THE  
BORROWER TO BE CONTACTED SO THAT  
THEY UNDERSTAND WHAT THIS IS  
THAT THEY HAVE TO GIVE UP THEIR  
FINANCIAL INFORMATION AND GO TO  
COUNSELING.

>> THE STRUCTURE OF THE MAJORITY  
PLAN AS I UNDERSTAND IT -- WE  
ARE USING 750 AS THE NUMBER  
BECAUSE NOBODY SAID THAT BUT  
ASSUMING IT IS 750, \$400 BY THE  
LENDER HAS FILED, 350 LATER ON

TEN DAYS AFTER MEDIATION.

THEY GET A REFUND OF \$125 IF THE  
PERSON DECLINED TO GO THROUGH  
THE PROCESS OF COUNSELING.

THE REST OF THE MONEY IS GONE.

THEY FORFEIT, THE LENDER DOES,  
THE DIFFERENCE.

IF SOMEBODY SAYS YES THEY LOSE  
MONEY.

THEY ONLY GET A REFUND IF THE  
BAR WORSE AS I DON'T WANT TO DO  
IT AND GOES TO FORECLOSURE  
COUNSELING WHICH IS A \$125  
REBATE FOR THEM.

AS CONTRASTED WITH A MINORITY  
POSITION WHICH IS THESE FOLKS --  
WHAT THEY'RE DOING WITH THEIR  
MONEY THEY DON'T KNOW BUT IT  
DOES NOT EQUIVOCATE TO  
INDIGENCE.

LOT OF PEOPLE HAVE THE ABILITY  
TO PAY.

THE MINORITY POSITION, WE ARE  
SUGGESTING THE BORROWERS WHO  
HAVE THAT CAPACITY CONTRIBUTE

HALF --

>> WE WILL MAKE THAT  
DETERMINATION AT WHAT POINT --  
THE REPORT IS TO TRY TO KEEP  
THIS AS MUCH OUT OF THE COURT  
SYSTEM AS POSSIBLE.

>> I WANT TO DO THAT BUT THE  
PROCESS IS THERE WILL BE A  
FORECLOSURE COUNSELING IN WHICH  
THEY DISCOURAGE THE INFORMATION  
ABOUT FINANCIAL -- VERY EASILY  
CERTIFIED THIS PERSON IS CAPABLE  
OF PAYING \$375.

WE THINK THERE NEEDS TO BE BUILT  
IN PROCESS THAT LEGITIMIZES THE  
RESPONSIBILITY OF PEOPLE WHO  
CAN'T PAY.

THE DONALD TRUMPS OF THE WORLD  
WILL GET FREE MEDIATION.

>> YOU WOULD AGREE THAT MANY OF  
THESE PEOPLE ARE UNEMPLOYED NOW  
AND DON'T HAVE THE WHEREWITHAL  
-- UNDER THOSE CIRCUMSTANCES THE  
LENDER WOULD PAY IT OFF.

DO YOU WANT THE COURT TO MAKE A

DETERMINATION AND NOT TO SAY THE  
LENDER IS GOING TO PAY ALL OF  
THESE FEES AND RECOUP THEM AT  
THE END.

>> I ASK THE COURT TO MAKE ABOUT  
APPROACH THAT WILL ALLOW  
DISCRIMINATION BETWEEN THOSE WHO  
HAVE THE CAPACITY TO PAY VERSES  
THOSE THAT DON'T.

WE CHARGE \$50 FOR PUBLIC  
DEFENDER ON AN APPLICATION FEE  
-- TO HAVE THESE PEOPLE NOT PAY  
ANYTHING -- WE HAVE NEVER DONE  
ANYTHING GIVING A FREE RIDE TO  
PEOPLE --

>> I MAY BE WRONG BUT I THOUGHT  
THE GOAL OF THE COURT WAS -- WE  
HAVE HUNDREDS OF THOUSANDS OF  
MORTGAGE FORECLOSURE CASES AND  
JUDICIARY WOULD PREFER THAT  
THESE RESOLVE WITHOUT COMING  
BEFORE JUDGES.

IN FAMILY CASES, WHEN WE HAVE  
THE CAPACITY, WE WANT DEVIATION.

WE DID NOT SAY WE WILL CHARGE

FAMILY MEDIATION.

>> THE STATUTE REQUIRES \$50 OR  
\$100 DEPENDING ON THEIR NET  
WORTH.

>> THE IDEA IS THIS IS FOR THE  
BENEFIT OF THE COURT SYSTEM.

WE ARE NOT JUST TRYING TO HELP  
THE BORROWER IF WE CAN GET THESE  
CASES OFF OF THE FINANCIAL  
DOCKET TO RESOLUTION.

>> MY PROBLEM IS ASSESSING THE  
ENTIRE COST AGAINST THE PEOPLE  
LITIGATING THIS.

WE ARE FORCING THEM TO OPEN  
THEIR POCKETS AND PAY MONEY WHEN  
OTHER PEOPLE ON THE OTHER SIDE  
HAVE THE ABILITY TO DO  
SOMETHING.

THAT IS NOT A GOOD SYSTEM.

THAT IS SETTING A PRECEDENT THAT  
IS NOT GOOD.

I ACCEPT THE PREMISE THAT WE  
HAVE A JUDICIAL EMERGENCY WHEN  
YOU DO SOMETHING.

WHEN PEOPLE DO THAT IS NOT A

GOOD THING.

>> ANYTHING ELSE YOU TAKE ISSUE  
WITH?

>> NOT REALLY.

AS LENDERS WILL TELL YOU THE  
PROPERTY THEY'RE PUTTING THIS ON  
TO OUR UNDERWATER.

IT IS NOT GOING TO GET ANY MONEY  
BACK.

IT IS GONE.

THEY ARE GOING TO SELL THE  
PROPERTY FOR MUCH LESS THAN WHAT  
IS DUE IN THE JUDGMENT.

>> YOU SAID YOU HAD THREE AND WE  
ONLY HAD ONE.

>> THE SECOND POINT IS TO HAVE  
SUCCESSFUL MEDIATION BOTH SIDES  
HAVE TO HAVE SKIN IN THE GAME.

YOU HAVE TO HAVE PARTICIPATION.

YOU CAN'T GET FREE LEGAL  
SERVICES TO APPRECIATE UNLESS  
YOU PUT SOMETHING IN IT.

WE ASK YOU TO BE AWARE OF THE  
FINANCIAL BURDEN THAT THIS  
PROCESS IS HAVING ON PEOPLE

FOLLOWING THESE LAWSUITS.

YOU KNOW ABOUT THE FILING FEES.

\$250,000 OR MORE.

LITIGATION COSTS ARE GOING UP.

WE HAVE 30,000 MEDIATIONS IN  
DADE COUNTY AND THEY PAY \$750  
FOR MEDIATION.

IF YOU HAVE HALF A MILLION  
DOLLAR MEDIATION STATEWIDE,  
\$375 MILLION IS WHAT THAT COSTS.

WE ASK YOU TO BE FAIR AND THE  
SYSTEM TO CONSIDER THOSE  
ECONOMIC REALITIES WHEN YOU DEAL  
WITH THIS.

>> GOOD MORNING.

MAY IT PLEASE THE COURT, MY NAME  
IS REBECCA STARRELL FROM PALM  
BEACH.

I AM IN AGREEMENT WITH MANY OF  
THOSE WHO QUALIFIED THE TASK  
FORCE INCLUDING RULE CHANGES AND  
SO ON, MY TWO BASIC PREMISES OF  
MY MINORITY REPORT WILL BE USED  
FOR COURT BASED APPROACH AS WELL  
AS INCREASED COORDINATION OF PRO

BONO ATTORNEYS AND VOLUNTEERS.

>> YOU HAVE A MEDIATION PROGRAM  
FOR THESE FORECLOSURE CASES IN  
THE 1530.

>> SOME WHAT.

IS A COURT BASED PROGRAM IN PALM  
BEACH.

WE DO NOT UTILIZE OUR MEDIATION  
PROGRAM.

THEY HAVE CREATED A SEPARATE  
FORECLOSURE DIVISION IN THE  
CIRCUIT WHICH ALLOWS THIS TO BE  
VERY EFFICIENT SO BASICALLY THE  
JUDGE HANDLES THE GREAT DEAL OF  
TASKS.

>> ARE YOU SENDING PEOPLE TO  
COUNSELING AND THEN SENDING THEM  
TO MEDIATION?

ARE YOU DOING IT THROUGH A COURT  
PROGRAM AS OPPOSED TO A MANAGED  
MEDIATION PROGRAM?

>> IN THE BEGINNING THE BORROWER  
RECEIVES INFORMATION COLOR-CODED  
AND EASY TO READ WHICH INVITES  
DURING THE SUMMARY, INVITED THEM

INTO THE COURT FOR CASE  
MANAGEMENT CONFERENCES WERE WE  
HAVE VOLUNTEERS WHO WOULD GO  
OVER HOW TO FILL OUT THE FORM  
AND GIVE THEM ACCESS TO THE  
COUNSELORS, CONTACT INFORMATION,  
VERY SUCCESSFUL.

WAS ONLY DURING THE SUMMER -- WE  
ARE NOW TRYING TO REESTABLISH  
THAT PROGRAM.

>> ALL THESE FOLKS EDUCATED AND  
TRAINED WITH REGARD TO THE  
FEDERAL PROGRAMS AND LOAN  
MODIFICATION AND ALL THOSE KINDS  
OF THINGS.

WHO ARE THESE FOLKS?

>> OUR GENERAL COUNSEL WORKED  
VERY CLOSELY WITH THEM AND  
HELPED THEM, THEY WERE IN TURN  
FROM LAW SCHOOL, SOMETHING I  
ADVOCATED IN TEAMING UP WITH THE  
LAW SCHOOL AND STATE UNIVERSITY.  
THEY ARE A GREAT RESOURCES AND  
THEY'RE VERY EDUCATED.  
THEY WALKED THEM THROUGH THE

PROCESS.

THERE BETTER WAYS TO DO NOT  
REACH AS OPPOSED TO MORE PHONE  
CALLS.

THOSE ARE STILL MORE PHONE  
CALLS.

>> WE PROBABLY INCURRED --  
ENCOURAGED TO HAVE THOSE KINDS  
OF THINGS ALL OVER THE STATE.  
THEY ARE NOT RELYING ON SUMMER  
INTERNS TO DO IT.

GOING BACK TO THE PROGRAM THAT  
IS IN PLACE, JUDGE BAILEY SAID  
THAT THERE IS NOT A REQUIREMENT  
OF FORECLOSURE COUNSELING.

IS THAT TRUE OR NOT TRUE?

>> THAT IS CORRECT.

>> IS NOT A REQUIREMENT?

>> IT IS NOT REQUIREMENT BUT THE  
ACCESS, CONTACT INFORMATION, IS  
NOT REQUIRED.

IF THEY ARE INTERESTED, EVEN  
FOLKS THAT DO NEED TO COME ARE  
COMING IN.

>> IT IS FREE IF --

>> THE PROBLEM, I AM FROM THE FIFTEENTH SO I AM A BIG FAN OF THE FIFTEENTH CIRCUIT IN TERMS OF THEIR APPROACHES BUT THE CONCERN IS THIS COURT IS TRYING TO DO SOMETHING STATEWIDE END WOULD BE RELATIVELY UNIFORM. IF WE DIDN'T GO WITH MANAGED MEDIATION, WHAT WOULD WE DO THREE YEARS INTO THIS?

WHAT WE JUST SAY LEAVE THE CIRCUIT TO FIGURE OUT?

HOW WOULD YOU APPROACH IT?

>> THERE ARE MORE RESOURCES THAN OTHERS.

WE HAVE A GREAT DEAL OF FORECLOSURES OF PALM BEACH.

WE HAVE TWO OPEN HEARING DATES IN NOVEMBER BECAUSE WE ARE SO CAUGHT UP IN OUR FILING BECAUSE OF OUR SYSTEM.

[TALKING OVER EACH OTHER]

>> THAT IS OTHER THAN THE MEDIATION.

>> THE ONLY CASE MANAGEMENT

SYSTEM IS IN PLACE --

>> YOU HAVE CASE MANAGERS THAT  
ARE ABLE TO ASSESS THAT.

>> WE HAVE SOME IN TURNS THAT  
ARE HELPING TO CREATE FILE  
JUDGMENT.

>> WE LOST OUR CASE MANAGERS,  
FUNDED SO MANY POSITIONS THAT  
THOSE KINDS OF THINGS THAT ARE  
OUTSIDE MEDIATION CAN'T TAKE  
PLACE ACROSS THE STATE.

THAT IS ONE OF THE PROBLEMS.

IS THAT CORRECT?

WE ARE DOWN ON CASE MANAGEMENT  
TO DO THIS?

>> IT CREATES THE OPPORTUNITY TO  
DEVELOP A BETTER ORGANIZATION OF  
VOLUNTEERS WHICH IS SOMETHING  
CONTRACTOR MEDIATION SERVICERS  
CERTAINLY DO.

ON-LINE SCHEDULING IS SOMETHING  
WE DO.

YOU CAN EVEN SCHEDULE MEDIATORS.

WE ARE CAUGHT UP.

WE HAVE A SYSTEM THAT IS WORKING

VERY WELL.

IT IS IMPORTANT TO OTHER

CIRCUITS WITH VARIOUS

MODIFICATIONS BUT I DO THINK IT

IS POSSIBLE.

YOU ADD THE INCREASED ABILITY TO

DO QUALITY INSURANCE AND THE

JUDICIAL SYSTEM PROGRAM MANAGED

-- INCREASES PUBLIC CONFIDENCE

IN THE PROCESS AND ALSO FILING

WOULD BE ANOTHER ASPECT TO BE

ADDED WITH INCREASED VOLUNTEERS

INCLUDING CITIZENS DISPUTING

SETTLEMENTS.

>> MANY CIRCUITS MIGHT NOT HAVE

ENOUGH VOLUNTEERS AND PEOPLE WHO

ARE WILLING TO COME IN AND HELP

THE COURT, INTERNS AND OTHER

PEOPLE.

I AM JUST WONDERING HOW YOUR

SYSTEM WOULD TRANSLATE IN A

CIRCUS OR COUNTY LIKE THAT?

>> THE KEY IS THE WAY THE CASES

ARE MANAGED BY THE DIVISION.

BASICALLY WE DO 2500 CASES EACH

MONTH.

ONE JUDGE DOING FIVE STATES A  
WEEK AND THERE IS ANOTHER  
CIRCUIT CIVIL JUDGE WHO DOES A  
DAY AND HALF.

THERE ARE NOT A GREAT DEAL OF  
RESOURCES MANAGING 500 CASES.

I WATCHED THEM IN COURT.

THEY ADDRESS PEOPLE'S CONCERNS  
IN THE CASE.

THE JUDGE ALSO HAS THE ABILITY  
TO HELP THE INDIVIDUAL, GETTING  
TO KNOW CASES THAT COME BACK.

THERE IS AN ONGOING EXPERTISE  
THAT DEVELOPS IN THE DIVISION.

85% OF OUR CASES --

>> YOU ARE PICKING OUT -- NOT  
OFFERING TO BORROWERS.

>> THE JUDGES SET MEDIATION FOR  
WHEN THEY GET THEIR INITIAL  
PACKETS.

>> WHAT PERCENTAGE ARE OPTING IN  
FOR MEDIATION?

>> I DON'T HAVE THAT NUMBER IN  
FRONT OF ME.

>> YOU SAY THEY SETTLE.

>> IT IS SIMILAR TO MANAGE

MEDIATION NUMBERS.

>> YOU SAY THE NEXT PERCENTAGE

ARE SADDLING.

WHAT DO YOU MEAN BY SETTLING?

ARE THEY RESTRUCTURING THE LOANS

OR ARE THEY JUST CHANGING A

PAYMENT SCHEDULE AND THIS WILL

COME BACK TEN YEARS FROM NOW AND

WE WILL BE BACK WHERE WE ARE

TODAY?

>> THAT WAS IMPORTANT TO ME TO

FIND OUT.

WE DON'T HAVE A SYSTEM IN PLACE

THAT IS REALLY UP TO SPEED.

I DID DO SOME RESEARCH AND

CALLED SEVERAL OF THESE

MEDIATORS AND A VARIETY OF FOLKS

AND THEY SEEM TO BE BASICALLY --

MODIFICATIONS AND SHORT SALES

AND A VARIETY OF THINGS BUT THEY

DON'T END UP IN FORECLOSURE

AFTER WORDS.

THE ACTUAL SETTLEMENT.

>> ALL OF THAT IS IN THERE.

>> THE JUDGES SET CASES AT ANY  
POINT EVEN UP TO THE SALE POINT.

>> THEY HAVE MEDIATIONS.

>> THEY ARE REQUIRED TO DEVISE A  
VERY LOW FEE OF \$500, THE  
AVERAGE.

PLAINTIFFS SOMETIMES STEP UP AND  
OFFER TO PAY FOR THEM.

>> SOMEBODY PAYS FOR MEDIATION.

>> I GUESS THEY CAN FILE -- THAT  
WOULD BE DIFFICULT TO QUALIFY  
FOR MODIFICATION.

YOU HAVE TO BE EITHER WORKING TO  
GO TO MEDIATION OR TO HAVE AN  
INCOME, SO THERE IS THAT -- THE  
JUDGE ADDRESSES THOSE  
INDIVIDUALLY.

>> THE MEDIATION IS ONLY FOR  
THOSE WORKING AND CAN AFFORD  
PAYMENTS.

THERE IS NO FORECLOSURE.

>> NOT NECESSARILY FOR THE  
PAYMENT.

THAT WOULD BE DETERMINED BY

MEDIATION BUT THEY HAVE TO BE

WORKING TO OFFSET --

>> WITH THAT YOU HAVE USED YOUR

TIME.

WE APPRECIATE YOUR APPEARING

HERE.

JUDGE BAILEY, I WILL GIVE YOU A

COUPLE MINUTES.

IF YOU COULD START OFF WITH ONE

OF THE THINGS THAT WAS ADDRESSED

IN SOME OF THE COMMENTS, THIS

NOTION OF QUALIFIED FORECLOSURE

COUNSELOR.

SOME INDICATION THERE MAY NOT BE

EQUAL AVAILABLE WHO REALLY HAVE

THE EXPERTISE TO DO THIS.

COULD YOU ADDRESS THAT IN YOUR

RESPONSE?

>> LET ME EXPLAIN HOW IT WORKS.

WE ARE SATISFIED IT IS GOING TO

WORK BECAUSE THE EXISTING POOL

OF FORECLOSURE COUNSELORS TO THE

HUD CERTIFIED OR NATIONAL HOME

LOAN COUNSELING.

THEY ARE CERTIFIED FORECLOSURE

COUNSELING.

GENERALLY THEY FUNCTION AS A  
GOVERNMENT GRANTS.

IF YOU GO -- IT IS THE COST OF A  
CREDIT REPORT.

THE REASON THERE IS A FEE IN THE  
STRUCTURE WE SUGGESTED IS TO  
WRAP UP THE INFRASTRUCTURE  
BECAUSE IF THAT FEE IS NOT  
THERE, THERE IS NOT GOING TO BE  
ENOUGH.

WE ARE PROVIDING THE  
INFRASTRUCTURE TO ACCOMMODATE  
THE PROGRAM.

THAT IS WHY IT IS IN PLACE.

WE NEED TO MAKE SURE THERE IS  
ENOUGH.

>> HOW MUCH OF THE FEE GOES TO  
THE PROGRAM MANAGER?

>> \$275.

FOR WHICH THEY PROVIDE ALL OF  
THE SCHEDULING, ALL OF THE I.T.,  
DOCUMENT TRANSMITTAL, OUTREACH  
STAFF, INTERPRETERS, THAT IS  
PRIMARILY TRUE BECAUSE --

>> THAT IS \$275.

>> THAT IS NOT A BAD DEAL FOR  
WHEN THEY ARE GETTING.

A SUBSTANTIAL BACK OFFICE  
REQUIREMENT TO THIS.

IT IS REPRODUCIBLE BUT FOLKS  
HAVE TO UNDERSTAND THERE'S A LOT  
YOU DON'T SEE THAT GOES ON  
BEHIND THE SCENES.

>> THERE ARE MORE THAN -- YOU  
HAVE ONE PROGRAM MANAGER FOR THE  
ELEVENTH CIRCUIT.

>> KNOWING WHAT IS GOING ON IN  
THE FIFTEENTH, WHY DIDN'T THE  
TASK FORCE ADOPT THAT FIFTEENTH  
CIRCUIT MODEL?

>> IT WAS NOT PROPOSED UNTIL  
TUESDAY OF THE LAST WEEK.  
WE DIDN'T HAVE TIME TO EXPLORE.  
STATUTORY WE ARE NOT ALLOWED TO  
COLLECT FEES FOR CIVIL  
MEDIATION.

WE CAN'T DO CIVIL MEDIATION  
IN-HOUSE.

IT IS INCREDIBLY DEPENDENT ON

VOLUNTEERS AND IN TERMS AND NONE  
OF THE STRUCTURAL STUFF WILL  
MAKE THE PROGRAM WORKS.

THERE'S NO FORECLOSURE  
COUNSELING OR OUT REACH.

TO SEND THESE PEOPLE MORE PAPERS  
REALLY DOESN'T MAKE THAT MUCH OF  
A DIFFERENCE BUT IT DOES

UNDERScore THE NEED FOR A  
MEDIATION PROGRAM BECAUSE YOU  
HAVE PEOPLE APPARENTLY WHO ARE  
WORKING WHO ARE NOT GOING TO  
QUALIFY BECAUSE IF YOU ARE  
WORKING YOU ARE LESS LIKELY TO  
QUALIFY.

IT IS CLEAR THAT THEY ARE IN  
COURT AND NOBODY MODIFIED THEIR  
LOANS BEFORE THEY GOT THERE AND  
YOU HAVE TO SEE A JUDGE TO GET  
IN FUNCTIONALLY.

THERE ARE JUDICIAL RESOURCES.

CAN I JUST ADDRESS --

>> VERY QUICKLY.

>> THERE ARE 291,000

FORECLOSURES FILED IN FLORIDA AS

OF SEPTEMBER 30TH.

>> WHAT WAS THAT NUMBER AGAIN?

>> 291,000 AS OF THE 9/30/09.

WE DIDN'T FEEL THEY SHOULD BE A

SPLIT BECAUSE IT IS ANOTHER

BARRIER TO MEDIATION.

THEY WERE SUPPOSED TO DO THIS

WITHOUT THE COURT BEING

INVOLVED.

WHATEVER REASON IT IS NOT

HAPPENING.

THE NUMBERS ARE STAGGERING BUT

IF YOU USE THE OLD FIGURES ON

THE LOSS ON THE FORECLOSURES

WHICH IS OUT OF DATE, IT IS

\$60,000 A CASE.

THESE REPRESENT \$15 BILLION IN

LOSSES.

ATTORNEY'S FEES ALONE REPRESENT

\$407 MILLION.

THIS COULD BE CATASTROPHIC ON

BOTH SIDES AND WE APPRECIATE THE

COURT'S ATTENTION AND ENCOURAGE

YOU TO ADOPT A REPORT.

>> I WANT TO THANK ALL OF YOU

FOR YOUR APPEARANCE IN HELPING  
THE COURT TO GO THROUGH THIS  
COMPLICATED ISSUE.

WE ALSO WANT TO THANK THE PEOPLE  
WHO MADE COMMENTS TO THE COURT.

THEIR IDEAS ON THIS MOST  
IMPORTANT AREA IN OUR STATE.

THANK ALL OF YOU.

WE WILL NOW TAKE OUR MORNING  
RECESS FOR TEN MINUTES.

>> PLEASE RISE.