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June 2010

### **New Program—Collaboration Among the Courts, the Law Association, and NPLS**

To the Members of the Lycoming Law Association --

The Lycoming County Court of Common Pleas, the Lycoming Law Association and North Penn Legal Services have been collaborating on a Mortgage Diversion program to help individuals in this county who are facing foreclosure. As we all are aware this is a problem of epidemic proportions and while there are programs available to help these individuals, many borrowers are unaware of what is available and the lenders have not been giving timely decisions to those that do apply for help. The program will provide for a mandatory conference with the Courts, the lender, and the defendant. The lender is expected to appear with authority to settle, if warranted. The defendant will be represented by either NPLS, by his or her own private attorney, or by a *pro bono* volunteer.

This Diversion program opens up a new **PRO BONO** opportunity for members of the Law Association. While any member can volunteer for this program we are asking those members who have been unable to fulfill their 3 referral commitment because the type of law they practice is not compatible with the type of cases that NPLS refers to sign up as a volunteer attorney for this program. While many of you who practice transactional law may not have been directly involved previously in these types of cases, your expertise and experience is more closely related to these issues, and after the benefit of the training that will be offered, should be a good fit for participation in this project.

The commitment on the part of the *pro bono* attorney will involve limited representation of defendants in mortgage foreclosure cases. The Court will order the defendant and the lender to attend a mandatory conference for the purpose of settling by agreement that defendant qualifies for one of the programs, or one of the other options such as short sale or whatever other remedy is deemed appropriate. The *pro bono* attorney's involvement will include preparation for that conference and attendance at the conference. It is expected that representation will end at the conclusion of the conference unless the defendant is able to and decides to retain the attorney privately.

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As in protection from abuse cases, there will be clients who are over income guidelines for regular representation by NPLS eligible for this program. NPLS regulations allow for this in special projects when the bar association agrees to accept cases outside the income guidelines and a community need is identified. The Courts, the Law Association and NPLS have determined that this program meets that criteria.

A CLE training for *pro bono* volunteers will be held on June 24, 2010, over the lunch hour, at the Ross Club. Details will be forthcoming, but we have attached a preliminary outline for that training to this letter.

Please contact Jessica Engel at the LLA Office to indicate your willingness to participate in this program. Your name will be added to the *pro bono* referral list for the Mortgage Foreclosure Diversion Program at NPLS.

Thank you.

Lycoming County Court of Common Pleas

Lycoming Law Association

North Penn Legal Services

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## **Mortgage Foreclosure Diversion Training**

**June 24, 2010**

### **Preliminary Outline**

- A. Government Programs
  - 1. State
    - a. HEMAP (Homeowner's Emergency Mortgage Assistance)
    - b. HERO (Home Equity Recovery Opportunity program)
  - 2. Federal
    - c. HAMP (Home Affordable Modification Program )
    - e. HARP (Home Affordable Refinance Program)
    - f. HomeSaver Forbearance
- B. Typical modification or repayment agreements
- C. Bankruptcy (Chapter 13)
- D. Selling the house, including short sale
- E. Deed in lieu or walking away
- F. Doing nothing (staying until ejected)