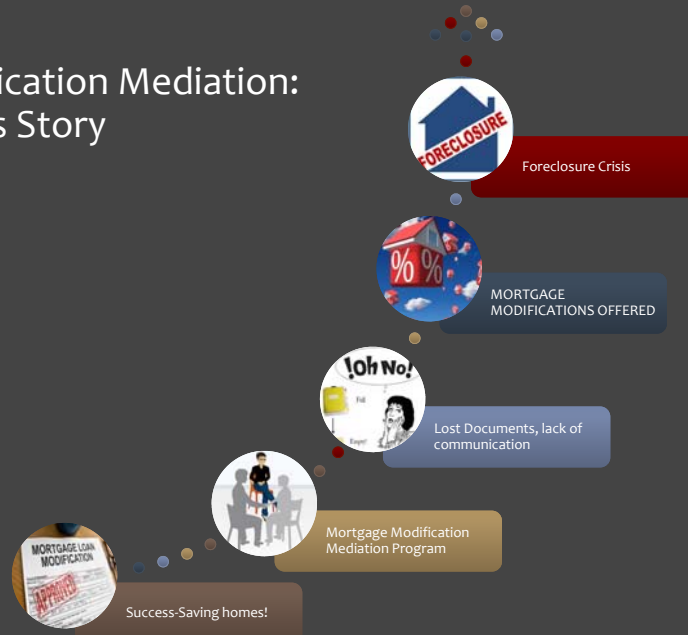


## Mortgage Modification Mediation: A Florida Success Story



## Who we are



- Robert B. Branson, Lead Attorney with BransonLaw
  - Debtor Counsel and Mediator
  - Participated in over one thousand MMM mediations
- Tammy Branson, Senior Paralegal with BransonLaw
  - Primarily Chapter 13 cases and MMM process
- Our Firm's primary focus: consumer bankruptcy since 1989



## Why we got involved:

Foreclosure Crisis: Florida hardest hit state

- Tarp Funds issued to Lenders
- In exchange Lenders agreed to use HAMP guidelines to modify mortgages that are delinquent or delinquency is eminent
- Although HAMP has ended, The Treasury Department's white paper revealed modification is the new way of doing business!
  - Lenders now attempt modification of mortgage when borrowers become delinquent or request assistance with their mortgage

## How MMM Programs in FL started

Judge Karen S. Jennemann announced MMM program in 2010

MMM Program for FLMD - Orlando Division

7000 MMM Motions

64.7% approval rating (FL State Court Program < 4% success)

3700+ loans modified

Collaborative confidential process



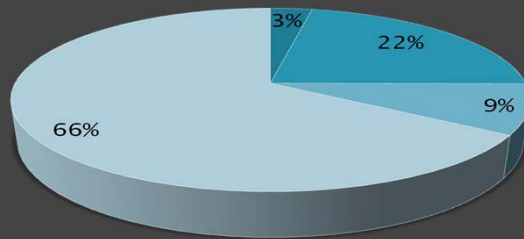
Statewide Summit 2014

Entire State of Florida has uniform program timelines across 3 Districts

# Foreclosure impact

- According to the Joint Economic Committee of Congress, the average foreclosure costs \$227,000
- Modifications allow for the loan to continue to perform and borrowers stay in their homes making affordable payments

■ Home Owner ■ Lender ■ Local Government ■ Property Values



Modifications resolve foreclosures

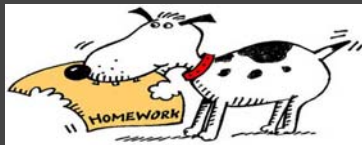
HAMP is over but many will mirror HAMP





## Why Bankruptcy MMM works

- Holds Parties accountable with timelines
- Resolves unsecured debt; more important than ever post HAMP
- Removes or subordinates secondary liens such as second mortgages and IRS liens
- Tracks payments; conduit plans
- Provides time for situations such as dissolution of marriage, inheritance and estate administration
- Element of Good Faith
- Allows closure for those that don't qualify



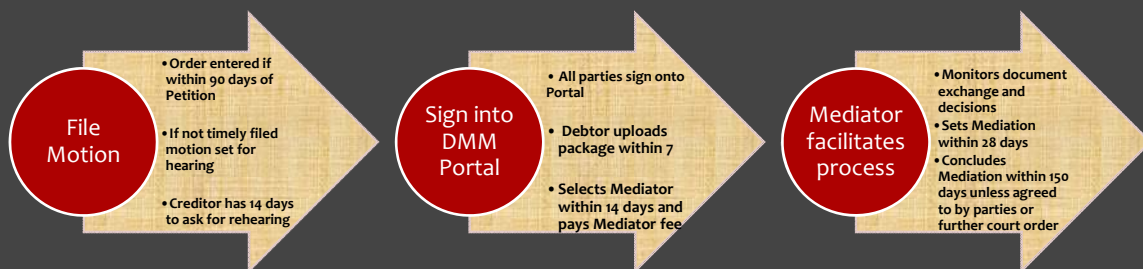
## DMM Portal stops Lost Documents Opens Communication

- DMM Portal stops lost documents, makes process transparent
- Communication through messaging in Portal and at Mediation
  - Outside MMM very little verbal communication and usually NOT with decision maker
- Dialogue resolves denials
  - Mediation allows conversation about details concerning income and expenses

## Makes Chapter 13 plans feasible

- Pay and Cure doesn't work with unaffordable payment and high arrearages
- MMM allows Adequate protection:
  - 31% of gross income less HOA
  - 75% of rental income for rental property
  - Or contractual payment if less
- Allows borrowers representation in loan modification process
  - Fees can be paid through plan
  - Flat fees for Debtor Counsel vary 1500-2500

## How its done: Mediation Timeline



## Mediation



- Parties appear by telephone
- Lender shall timely underwrite loan modification request
- Mediator fees: split by Debtor and Lender (250.00 each in Orlando; 300.00 each SDFL, NDCA & NV)
- FL Mediators mediate cases across the Country sharing their knowledge of the process



## Eligible Properties

- Homestead
- Rental
- Property occupied by dependents of borrowers
- Non-borrowers who inherited property or property obtained through dissolution of marriage

## MMM Process



- Confidential; mediation scheduling and outcome only items reported to Court
- Upon approval loan modification Debtor files motion to approve
  - Trial agreements are done ex parte
  - Final agreements are done by negative notice
- Debtor Amends or Modifies Plan to provide for modified amount
- If Denied, Debtor has 14 days to provide for pay and cure of claim or relief from stay granted

## Successful Modifications present a win-win

- The borrower stays in their home
  - affordable payment
- Creditor has performing loan
- Encourages bankruptcy filings!
- Increases Trustee's revenue
- Loans go to permanent status faster and with better tracking

## MMM Training



- We realized our firm alone couldn't make a difference but together we can!
- Mortgage Modification Education
  - Training attorneys, staff, Chapter 13 Trustees and creditors since 2011
- Our experienced speakers have been involved in thousands of mediations and include:
  - Debtor Counsel
  - Creditor Counsel
  - Mediators
  - Chapter 13 Trustee
  - Mortgage Underwriter & Processor

## Training across the Country

- Turn-Key operation for your attorneys
- From Florida to California
- Las Vegas started program, lead to Northern District of California and Arizona
- Indiana attorney filed one motion and now his district has program
- South Carolina program



## Training includes

- Flash drive all materials
- Program guidelines for Fannie Mae, Freddie Mac, FHA, VA, USDA and National Mortgage Settlements
- Pleadings for local area
- Sample pleadings
- Worksheets for qualification & underwriting, debt to income ratios
- Review of eligibility
- Review of terms used for loan modification

## Major Servicers support our Training

- Wells Fargo Home Mortgage and Bank of America have attended and sponsored our workshops
- Major Servicers encourage Courts to adopt MMM
- Lenders agree MMM facilitates borrowers requests and makes it easier to communicate and underwrite loans

## Treasury Department's 4<sup>th</sup> Quarter 2016 results

SERVICER	MINOR IMPROVEMENT NEEDED	MODERATE IMPROVEMENT NEEDED	SUBSTANTIAL IMPROVEMENT NEEDED
Bank of America, N.A.	✓		
CitiMortgage, Inc		✓	
JPMorgan Chase Bank, N.A.	✓		
Nationstar Mortgage LLC			✓
Ocwen Loan Servicing, LLC	✓		
Select Portfolio Servicing, Inc	✓		
Wells Fargo Bank, N.A.	✓		



## Modifications work!

### HAMP RESULTS

- **\$48 BILLION** Total estimated savings to date in monthly mortgage payments through HAMP
- **\$24 BILLION** In principal reduction through HAMP

## Saving Homes-One at a time

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