

October 18, 2011

Lou Jones Breakfast Club

Mortgage Modification Mediation

1. Client Preparation

- a. Income verification issues
- b. Payment of mediator fee
- c. Chapter 13 Plan language

The debtor will be filing a Motion to participate in the Mortgage Modification Mediation Program sanctioned by the United States Bankruptcy Court for the Eastern District of Wisconsin.

(i) As such, the Trustee shall not pay on any claims for Debtors' mortgage debt on homestead real estate located at 1234 Main Street, Milwaukee, Wisconsin.

(ii) Upon successful completion of a mortgage modification, all mortgage claims, including any arrearage and/or supplemental claims, will be addressed and paid outside of the plan.

(iii) If the mediation is unsuccessful and there is no mortgage modification reached, Debtor will file a feasible plan to address any and all mortgage arrearage claims.

(iv) The time period to successfully complete a mortgage modification and/or to file a feasible plan in the event of an unsuccessful mediation will be controlled by the procedure and guidelines of the aforementioned Mortgage Modification Mediation Program.

- d. Debtor recently denied modification/mediation outside of bankruptcy
- e. MMM motion filed when doomsday order is already in place
- f. Impact of prior modification

2. Post-Filing, Pre-Mediation Potholes

- a. Lender websites – key to assembling the right documents
- b. Documents not submitted by the deadline
- c. Lender ignores MMM motion
- d. Documents unsigned/undated/illegible
- e. Certificate of readiness submitted when all documents have not been provided

3. The Mediation Session & Beyond
 - a. Expectations – hybrid mediation, multiple sessions
 - b. Ex parte communications with mediator
 - c. Neutrality
 - d. Debtors arrive late
 - e. Extension of deadline to complete mediation
 - f. Issues with lenders
 - g. Client expectations and behavior at mediation