

CHAPTER 13 MORTGAGE MODIFICATION MEDIATION PROGRAM (MMM) (7/1/15)

The Chapter 13 Mortgage Modification Mediation Program (MMM) is the Court-sanctioned program to help qualified Chapter 13 debtors keep their homes. MMM is designed for Chapter 13 debtors who cannot afford their current mortgage payment, but have steady income to pay a modified mortgage payment. MMM sets up an informal meeting between the debtor and the lender conducted by a neutral mediator who acts as a discussion facilitator. The mediator cannot force a lender to modify a mortgage, but can help the debtor and the lender reach an agreement. MMM is a way for the debtor and lender to discuss whether modifying the mortgage is possible.

DEBTOR REQUIREMENTS

- To start the process, the debtor pays \$60 and completes an on-line document preparation program that generates the initial loan modification forms (www.documods.com).
- After completion of the documods program, the debtor files a Motion to Participate in MMM and serves a copy on the lender. The lender has 14 days to object to the Motion.
- The MMM Motion is a Court-required form, and states the requirements of the MMM Program, including:
 - The debtor has steady income but the debtor's mortgage payment is not affordable due to financial hardship.
 - The debtor will make monthly post-petition mortgage payments of 31% of debtor's gross monthly income or 75% of the Debtor's current mortgage payment, whichever is less, starting the next monthly scheduled due date (plus any grace period) after the Motion is filed.
 - The debtor must have filed complete bankruptcy schedules, and must provide lender with required documents and forms via the DMM Loss Mitigation Portal. To register for the Portal, go to www.dclmwp.com.
 - In addition to the \$60 documods fee, the debtor must pay \$60 to use the Portal and \$200 to the mediator. These fees are not refundable under any circumstances.
- The mediator is appointed by the Court. The debtor agrees to attend the mediation session. The mediation will be completed within 60 days of the appointment of the mediator, unless this time period is extended by agreement of the mediator, debtor and lender.
- If MMM is successful and the mortgage is modified, the debtor agrees not to voluntarily dismiss the Chapter 13 bankruptcy for 9 months, to enable the debtor to establish a track record of paying the modified mortgage payments.

- If MMM is not successful, Debtor agrees to promptly propose an amended Chapter 13 plan to pay the original mortgage. Failure to propose the amended plan can result in dismissal of the Chapter 13 case.

LENDER REQUIREMENTS

- The mortgage lender has 14 days to object to the Motion. Failure to timely object will result in entry of the MMM Order.
- Timely objections will be scheduled for hearing by the Court. The Court encourages lenders to participate in the MMM Program.
- If the lender does not timely object or the objection is overruled, the MMM Order will require the lender to pay \$200 to the mediator.
- Lenders will provide upload their standard document requests requirements to Default Mitigation Management LLC (the operator of the DMM Loss Mitigation Portal) so that same may be posted to the lender's profile on the DMM Loss Mitigation Portal.
- Lenders will review the debtor's documents and forms using the DMM Loss Mitigation Portal and will communicate concerning the documents using the DMM Loss Mitigation Portal.
- The lender will appoint a representative with knowledge of the lender's loss mitigation programs and either settlement authority or access to an underwriter with settlement authority. This representative will participate in the mediation sessions by telephone or video conference.
- The lender also will act promptly and in good faith to consider the debtor's mortgage loan for modification.
- If the MMM is successful, the lender will promptly prepare the necessary documents, and, if requested, the Court will approve any modification agreed upon by the debtor and lender.

This is only a summary. Debtors and lenders are encouraged to read the terms of the Motion and Order to familiarize themselves with the terms of the program.

Questions about MMM can be directed to Mr. Sean McDermott in the office of the Clerk, U.S. Bankruptcy Court at 414-297-3291. Questions about the DMM Portal or documods can be directed to 1-800-481-1013 or email at support@defaultmitigation.com.