

HB 922 -- Residential Mortgage Foreclosure Mediation Negotiation Program

Sponsor: Still

This bill requires each office of the circuit court in every county to establish a loss mitigation application and a residential mortgage foreclosure mediation negotiation program to assist mortgagors and mortgagees in achieving a mutually agreeable resolution to a mortgage foreclosure action. The Missouri Supreme Court must develop model guidelines for the implementation of the program. In its main provisions, the bill;

(1) Requires a residential mortgagor of a one- to four-family owner-occupied property to be served with a loss mitigation application and a preforeclosure notice or other official communication at the earliest opportunity, but not less than 90 days prior to the start of foreclosure proceedings, to inform the mortgagor of eligibility for foreclosure alternatives. The application cannot be a substitute for other efforts to contact the mortgagor;

(2) Requires the mortgagor to be informed of his or her right to meet with a United States Department of Housing and Urban Development (HUD)-approved counseling agency prior to the entry of a judgment in a foreclosure action and of the process required to schedule the negotiation. The mortgagor and/or servicer must notify the mortgagee's legal representative when a negotiation conference has been scheduled;

(3) Requires the court to assign mediators who are trained in mediation and all relevant aspects of the law, have knowledge of mortgage assistance programs and available community-based resources, and are trained in using the relevant Federal Deposit Insurance Corporation forms and worksheets. The court may establish a training program and require a mediator to receive the training prior to being appointed;

(4) Requires each party and each party's attorney, if any, and/or a representative of a HUD-approved counseling agency to be present at the negotiation conference and make a good faith effort to mediate all issues within the 90-day period. The mortgagor may waive his or her right to representation if it is in writing and agreed upon by both parties prior to the scheduled negotiation conference;

(5) Requires the negotiation conference to address all issues of the loss mitigation application and the lender's response including specified options to help resolve the foreclosure action or to restructure the mortgage debt. All parties must

reach a mutual agreement within 90 days;

(6) Specifies that if a mortgagor fails to appear for a required scheduled negotiation conference, the state can authorize the mortgagee to proceed with the foreclosure action;

(7) Specifies that if the mortgagee or his or her legal representative fails to appear for a required scheduled negotiation conference, the case cannot proceed until a rescheduled negotiation conference is held; and

(8) Requires the mortgagee, after entry of a final judgment in favor of the mortgagee, to provide a copy of the foreclosure judgment to any resident of the premises 90 days prior to eviction.