



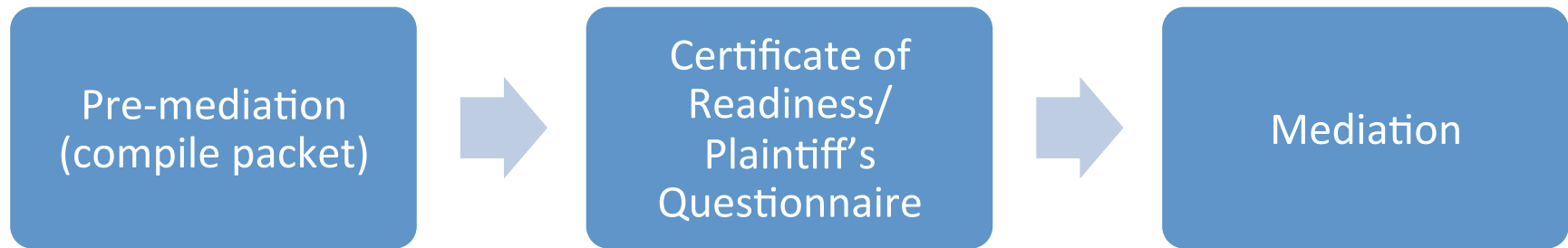
# Coordination between CPC and housing counselors in foreclosure mediation

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# Identity and Role of CPC

- Community Preservation Clinic
- Provide free representation to all borrowers in McLean County Mandatory Mediation
  - Specially licensed 711 law students
- Incubates statewide mandatory mediation programs
  - Kankakee
  - Champaign
- Research impact of financial choice, attitudes and beliefs on decision making

# McLean County Mandatory Mediation



# CPC Services: McLean County Mandatory Mediation

- No income requirements
- Law students and attorneys represent borrowers in mediation by develop packets, counsel clients, and negotiation
- Court entered reports track loss mitigation efforts
- Navigate implications on overlapping bankruptcy, tax, divorce, and probate issues
- Litigate mediation enforcement issues
- Litigate affirmative defenses and counterclaims when present and viable

# CPC & HUD Counselors: McLean County



- Mid Central Community Action
- In the past, MCCA assisted in IHHF
- We seek referrals regarding
  - Failure to convert & breach of contract
  - Assistance in CFPB appeal of denial reason
  - Loss mitigation issues arising from BK, divorce, or probate
  - Consumer fraud

# CPC & HUD Counselors: McLean County

- Post-Mediation: we refer borrowers to HUD Certified Counselors when mediation terminates and we litigate or
- If mediation terminates for eligibility reasons

# CPC and Mid Central Community Action: Ongoing Collaboration

- Releases and authorizations in place to share packets and experience with particular client
- Next Step: Financial coaching, maximizing income supports, creating career and education pathways

# CPC and MCCA: Next Step



- Mediation addresses housing affordability (front-end DTI)
- Impact of overall financial situation on housing stability
- Next Step coaches borrowers on underlying financial issues
- Debt repayment assistance



# Statewide Incubation: Highlighted Differences

## Champaign

- Cap of 3 pre-mediations

## Kankakee

- Plaintiff's representative attends pre-mediation
- Plaintiff's representative attends mediation in person

## St. Clair

- Lender must provide PSA, payment history, appraisals, etc. at first pre-mediation conference

# University of Illinois: Research on Impact of Financial Decision Making

- Survey of financial choices and how attitudes and values impact decision making
- Compared to outcome of foreclosure case

# University of Illinois: Research on Impact of Financial Decision Making

Imagine Jose needed \$500 to pay for a new television after his old television broke, and he borrowed the money to pay for it. Jose repays the loan. Which of the following words **best** describes Jose? We know you have only a little information, but please give us your best guesses about Jose. Circle all that apply:

capable

honest

trustworthy

considerate

impulsive

unhelpful

clever

incompetent

greedy

foolish

intelligent

unreliable

# University of Illinois: Research on Impact of Financial Decision Making

Owning a home means different things to different people. We would like to find out what owning a home means to you personally.

Other people will respect me more if I own a home.

Strongly Disagree		Neutral		Strongly Agree
1	2	3	4	5

Owning a home gives me a sense of stability.

Strongly Disagree		Neutral		Strongly Agree
1	2	3	4	5

# University of Illinois: Research on Impact of Financial Decision Making

- Survey of efficacy of program, attorney representation, HUD counselor representation
- Results provided to HUD counselors

# University of Illinois: Research on Impact of Financial Decision Making

<u>Feedback on HUD Counselor</u>	
1. The HUD Counselor explained the process and options.	1-5
2. The HUD Counselor listened to me.	1-5