



Kentucky Bar Association Convention

Building Blocks *of* Democracy

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FORECLOSURE CONCILIATION PROJECT

CLE Credit: 1.0
Wednesday, June 16, 2010
4:15 p.m. - 5:15 p.m.
Heritage Hall Meeting Rooms 2-3
Lexington Convention Center
Lexington, Kentucky

A NOTE CONCERNING THE PROGRAM MATERIALS

The materials included in this Kentucky Bar Association Continuing Legal Education handbook are intended to provide current and accurate information about the subject matter covered. No representation or warranty is made concerning the application of the legal or other principles discussed by the instructors to any specific fact situation, nor is any prediction made concerning how any particular judge or jury will interpret or apply such principles. The proper interpretation or application of the principles discussed is a matter for the considered judgment of the individual legal practitioner. The faculty and staff of this Kentucky Bar Association CLE program disclaim liability therefore. Attorneys using these materials, or information otherwise conveyed during the program, in dealing with a specific legal matter have a duty to research original and current sources of authority.

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Kentucky Bar Association

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THE PRESENTERS



Daniel T. Albers
Old Jail Building Fourth Floor
514 West Liberty Street
Louisville, Kentucky 40202
(502) 574-5934

DANIEL T. ALBERS has served as Master Commissioner and Receiver for Jefferson Circuit Court since 2006 and was recently reappointed to a second term. Prior to his service as Master Commissioner, Mr. Albers maintained a private practice from 1973-2006. He received his B.A. from Bellarmine University and his J.D. from the Brandeis School of Law at the University of Louisville. Mr. Albers is admitted to practice in the United States District Court for the Eastern and Western Districts of Kentucky, Bankruptcy Courts for the Eastern and Western Districts of Kentucky and the United States Court of Appeals for the Sixth and Seventh Circuit. He is a member of the Kentucky Bar Association.

Benjamin W. Carter
Legal Aid Society of Louisville
416 West Muhammad Ali Boulevard
Louisville, Kentucky 40205
(502) 614-3134



BENJAMIN W. CARTER is an attorney with the Housing Unit of the Legal Aid Society of Louisville. His practice focuses on defending homeowners facing foreclosure. After spending his first two months at Legal Aid on hold with various banks, Mr. Carter worked with court officials, lenders' attorneys, and service providers to create the Foreclosure Conciliation Project – an effort to reduce the communication barriers between homeowners and banks. Prior to joining Legal Aid in September 2008, he worked in the Public Defender's Office in Palau and for Judge Thomas Wingate of the Franklin County Circuit Court. He is a graduate of Davidson College and the University of Kentucky College of Law. Mr. Carter was also a Fellow at The Watson Foundation.



Dana Jackson
Making Connections Network
334 East Broadway
Louisville, Kentucky 40202
(502) 583-1426

DANA JACKSON is the Executive Director of the Making Connections Network, a social change organization that is knocking down long-standing and persistent inequalities and creating communities of opportunity. Prior to her current position, she served as a Deputy Commissioner of the Department for Community Based Services. Ms. Jackson also served as the State Director for the Division of Protection and Permanency and as State Director for the Division of Child Care. She is an Annie E. Casey Fellow and serves on numerous boards and councils.

Jeremy M. Rettig
Lerner Sampson and Rothfuss LPA
239 South Fifth Street, Suite 917
Louisville, Kentucky 40202
(502) 566-3040



JEREMY M. RETTIG is an attorney with Lerner Sampson & Rothfuss in Louisville where he concentrates his practice in the area of foreclosure. He received his B.A. from Northern Kentucky University and his J.D. from Salmon P. Chase College of Law. Mr. Rettig is a member of the Louisville, Northern Kentucky and Kentucky Bar Associations.

Judge James M. Shake
Jefferson Circuit Court
Judicial Center
700 West Jefferson Street
Louisville, Kentucky 40202
(502) 595-4062

JUDGE JAMES M. SHAKE serves as Chief Judge of the Jefferson Circuit Court in Louisville. He has served as a Circuit Court Judge since 1993, except for serving briefly as a Family Court Judge (July, 1995-December, 1995). He also serves on the Kentucky Court of Appeals by Special Appointment. Judge Shake received his B.S. from the University of Louisville and his J.D. from the Brandeis School of Law at the University of Louisville. He is a member of the Louisville and Kentucky Bar Associations.

LEGACY BANK FORECLOSURE NOTICE
MIRACOLA LA SALLE TRUST COMPANY

Mayor Abramson wants you to know your options!

You are facing
foreclosure, but
you may have
other options.
Get help by calling
the **Kentucky
Homeownership
Protection Center.**



Call **1-866-830-7868** or visit
www.protectmykyhome.org

It's not too late. But it's important to act today.

IMPORTANT: You have 20 days after receiving the Foreclosure Complaint to preserve your legal rights by filing an Answer with the Court.

Contact your attorney for help with this.

If you do not have an attorney or cannot afford one, you can call the Louisville Bar Association Lawyer Referral Service at 583-1801 or the Legal Aid Society at 584-1254. *Turn over for details.*

HOW TO PRESERVE YOUR LEGAL RIGHTS

PARTICIPATING IN THE FORECLOSURE CONCILIATION PROJECT WILL NOT STOP THE CASE AGAINST YOU IN COURT. TO PRESERVE YOUR LEGAL RIGHTS, YOU MUST FILE AN ANSWER WITH THE COURT WITHIN 20 DAYS OF RECEIVING THE FORECLOSURE COMPLAINT. IF YOU DO NOT HAVE AN ATTORNEY OR CANNOT AFFORD ONE, YOU CAN CALL THE LOUISVILLE BAR ASSOCIATION'S LAWYER REFERRAL SERVICE AT 583-1801 OR THE LEGAL AID SOCIETY AT 584-1254.

HOW TO PARTICIPATE IN THE FORECLOSURE CONCILIATION PROJECT

WHAT IS THE FCP?

The Foreclosure Conciliation Project (FCP) is a new project started by the Jefferson County Circuit Court to encourage homeowners and their banks to pursue alternatives to foreclosure. If you complete and return a hardship packet to your lender, the Court will require your lender to meet with you before your house is sold. Free housing counselors will help you complete the hardship packet.

WHO QUALIFIES?

Anyone who lives in and owns the home subject to this foreclosure suit.

HOW TO ENROLL IN THE FORECLOSURE CONCILIATION PROJECT

1. **STAY** in your home. Do not move out.
2. **CALL** the Protect My Kentucky Home Hotline: 1-866-830-7868 or **VISIT** www.protectmykyhome.org. This will connect you with a housing counselor.
3. **ATTEND** a free clinic at Legal Aid Society to learn about the foreclosure process and alternatives to foreclosure. These clinics are on Tuesday at 11 a.m. and Thursday at 5 p.m. at Legal Aid Society's office on the 3rd floor of 416 W. Muhammad Ali Blvd. Call 584-1254 to secure your place in the clinic.
4. **PREPARE** a proposal with a housing counselor.
5. **SEND** the proposal to the lender and the required forms to the Court. The housing counselor will help you with this. These documents are due at least three weeks prior to the Conciliation Conference date, so it is important to get started today by calling the hotline. Your housing counselor can tell you exactly when your paperwork is due.
6. **MEET** with your lender at the Conciliation Conference to discuss alternatives to foreclosure. Your housing counselor can tell you the exact date of your Conciliation Conference.

Remember, the Foreclosure Conciliation Project **DOES NOT STOP** the foreclosure process. Contact an attorney today.

Louisville Bar Association's Lawyer Referral Service: 583-1801
Legal Aid Society: 584-1254





LEGAL AID SOCIETY

PURSUING JUSTICE. RESTORING HOPE.

Dear Homeowner:

The following steps will help you best prepare to pursue an alternative to foreclosure.

NOTE: You should complete and gather these documents quickly, but **you should not wait to attend a free foreclosure clinic until your documents are perfect.** Please call Legal Aid Society today at 584-3146 to reserve a place in a clinic.

- 1) Complete the Request for Modification and Hardship Affidavit in **pencil**.
- 2) Complete the "Individual Request for Tax Return Transcript."
- 3) Write a brief letter to your bank explaining why you fell behind on your mortgage.
- 4) Gather additional documents:
 - Complaint for foreclosure (given to you by a Sheriff or sent by Certified Mail)
 - Proof of Income
 - Two most recent pay stubs
 - Letter from Social Security, Disability, retirement, pensions
 - Rental agreement (if renting a room to another person)
 - Court papers showing child support/alimony award
 - Utility Bill (to prove residence at property in foreclosure)
 - Two Months of Bank Statements
- 5) Bring your documents to a clinic at Legal Aid Society. At this free clinic, you will:
 - Learn about the foreclosure process and alternatives to foreclosure;
 - Talk with an attorney and housing counselor about your situation;
 - Receive referrals to resources in the community that can help you avoid foreclosure including: housing counselors, realtors, and attorneys.

These clinics are at 11:00 a.m. on Tuesdays and 5:00 p.m. on Thursdays. They can last around 2-3 hours.

Legal Aid Society is located downtown on the 3rd Floor of 416 W. Muhammad Ali Blvd.



▶ Loan I.D. Number _____

▶ Servicer _____

BORROWER	CO-BORROWER
Borrower's name	Co-borrower's name
Social Security number Date of birth	Social Security number Date of birth
Home phone number with area code	Home phone number with area code
Cell or work number with area code	Cell or work number with area code

I want to:	<input type="checkbox"/> Keep the Property	<input type="checkbox"/> Sell the Property
The property is my:	<input type="checkbox"/> Primary Residence	<input type="checkbox"/> Second Home <input type="checkbox"/> Investment
The property is:	<input type="checkbox"/> Owner Occupied	<input type="checkbox"/> Renter Occupied <input type="checkbox"/> Vacant

Mailing address	
Property address (if same as mailing address, just write same)	E-mail address

Is the property listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No Have you received an offer on the property? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of offer _____ Amount of offer \$ _____ Agent's Name: _____ Agent's Phone Number: _____ For Sale by Owner? <input type="checkbox"/> Yes <input type="checkbox"/> No	Have you contacted a credit-counseling agency for help <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please complete the following: Counselor's Name: _____ Agency Name: _____ Counselor's Phone Number: _____ Counselor's E-mail: _____
---	--

Who pays the real estate tax bill on your property? <input type="checkbox"/> I do <input type="checkbox"/> Lender does <input type="checkbox"/> Paid by condo or HOA Are the taxes current? <input type="checkbox"/> Yes <input type="checkbox"/> No Condominium or HOA Fees <input type="checkbox"/> Yes <input type="checkbox"/> No \$ _____ Paid to: _____	Who pays the hazard insurance premium for your property? <input type="checkbox"/> I do <input type="checkbox"/> Lender does <input type="checkbox"/> Paid by Condo or HOA Is the policy current? <input type="checkbox"/> Yes <input type="checkbox"/> No Name of Insurance Co.: _____ Insurance Co. Tel #: _____
--	---

Have you filed for bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 13 Filing Date: _____ Has your bankruptcy been discharged? <input type="checkbox"/> Yes <input type="checkbox"/> No Bankruptcy case number _____
--

Additional Liens/Mortgages or Judgments on this property:

Lien Holder's Name/Servicer	Balance	Contact Number	Loan Number

HARDSHIP AFFIDAVIT

I (We) am/are requesting review under the Making Home Affordable program.
 I am having difficulty making my monthly payment because of financial difficulties created by (check all that apply):

<input type="checkbox"/> My household income has been reduced. For example: unemployment, underemployment, reduced pay or hours, decline in business earnings, death, disability or divorce of a borrower or co-borrower.	<input type="checkbox"/> My monthly debt payments are excessive and I am overextended with my creditors. Debt includes credit cards, home equity or other debt.
<input type="checkbox"/> My expenses have increased. For example: monthly mortgage payment reset, high medical or health care costs, uninsured losses, increased utilities or property taxes.	<input type="checkbox"/> My cash reserves, including all liquid assets, are insufficient to maintain my current mortgage payment and cover basic living expenses at the same time.
<input type="checkbox"/> Other:	

Explanation (continue on back of page 3 if necessary): _____

INCOME/EXPENSES FOR HOUSEHOLD¹

Number of People in Household:

Monthly Household Income		Monthly Household Expenses/Debt		Household Assets	
Monthly Gross Wages	\$	First Mortgage Payment	\$	Checking Account(s)	\$
Overtime	\$	Second Mortgage Payment	\$	Checking Account(s)	\$
Child Support / Alimony / Separation ²	\$	Insurance	\$	Savings/ Money Market	\$
Social Security/SSDI	\$	Property Taxes	\$	CDs	\$
Other monthly income from pensions, annuities or retirement plans	\$	Credit Cards / Installment Loan(s) (total minimum payment per month)	\$	Stocks / Bonds	\$
Tips, commissions, bonus and self-employed income	\$	Alimony, child support payments	\$	Other Cash on Hand	\$
Rents Received	\$	Net Rental Expenses	\$	Other Real Estate (estimated value)	\$
Unemployment Income	\$	HOA/Condo Fees/Property Maintenance	\$	Other _____	\$
Food Stamps/Welfare	\$	Car Payments	\$	Other _____	\$
Other (investment income, royalties, interest, dividends etc.)	\$	Other _____	\$	Do not include the value of life insurance or retirement plans when calculating assets (401k, pension funds, annuities, IRAs, Keogh plans, etc.)	
Total (Gross Income)	\$	Total Debt/Expenses	\$	Total Assets	\$

INCOME MUST BE DOCUMENTED

¹Include combined income and expenses from the borrower and co-borrower (if any). If you include income and expenses from a household member who is not a borrower, please specify using the back of this form if necessary.

²You are not required to disclose Child Support, Alimony or Separation Maintenance income, unless you choose to have it considered by your servicer.

INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the federal government in order to monitor compliance with federal statutes that prohibit discrimination in housing. **You are not required to furnish this information, but are encouraged to do so. The law provides that a lender or servicer may not discriminate either on the basis of this information, or on whether you choose to furnish it.** If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, the lender or servicer is required to note the information on the basis of visual observation or surname if you have made this request for a loan modification in person. **If you do not wish to furnish the information, please check the box below.**

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be completed by interviewer

This request was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet	<i>Interviewer's Name (print or type) & ID Number</i>	<i>Name/Address of Interviewer's Employer</i>
	<i>Interviewer's Signature Date</i>	
	<i>Interviewer's Phone Number (include area code)</i>	

ACKNOWLEDGEMENT AND AGREEMENT

In making this request for consideration under the Making Home Affordable Program, I certify under penalty of perjury:

1. That all of the information in this document is truthful and the event(s) identified on page 1 is/are the reason that I need to request a modification of the terms of my mortgage loan, short sale or deed-in-lieu of foreclosure.
2. I understand that the Servicer, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements and may require me to provide supporting documentation. I also understand that knowingly submitting false information may violate Federal law.
3. I understand the Servicer will pull a current credit report on all borrowers obligated on the Note.
4. I understand that if I have intentionally defaulted on my existing mortgage, engaged in fraud or misrepresented any fact(s) in connection with this document, the Servicer may cancel any Agreement under Making Home Affordable and may pursue foreclosure on my home.
5. That: my property is owner-occupied; I intend to reside in this property for the next twelve months; I have not received a condemnation notice; and there has been no change in the ownership of the Property since I signed the documents for the mortgage that I want to modify.
6. I am willing to provide all requested documents and to respond to all Servicer questions in a timely manner.
7. I understand that the Servicer will use the information in this document to evaluate my eligibility for a loan modification or short sale or deed-in-lieu of foreclosure, but the Servicer is not obligated to offer me assistance based solely on the statements in this document.
8. I am willing to commit to credit counseling if it is determined that my financial hardship is related to excessive debt.
9. I understand that the Servicer will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. I understand and consent to the disclosure of my personal information and the terms of any Making Home Affordable Agreement by Servicer to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Homeowner Affordability and Stability Plan; (c) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies that perform support services in conjunction with Making Home Affordable; and (e) any HUD-certified housing counselor.

Borrower Signature	Date
Co-Borrower Signature	Date

HOMEOWNER'S HOTLINE

If you have questions about this document or the modification process, please call your servicer.

If you have questions about the program that your servicer cannot answer or need further counseling, you can call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673). The Hotline can help with questions about the program and offers free HUD-certified counseling services in English and Spanish.



NOTICE TO BORROWERS

Be advised that by signing this document you understand that any documents and information you submit to your servicer in connection with the Making Home Affordable Program are under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income, expenses, or assets will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution. By signing this document you certify, represent and agree that:

“Under penalty of perjury, all documents and information I have provided to Lender in connection with the Making Home Affordable Program, including the documents and information regarding my eligibility for the program, are true and correct.”

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by calling 1-877-SIG-2009 (toll-free), 202-622-4559 (fax), or www.sig tarp.gov. Mail can be sent to Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L St. NW, Washington, DC 20220.



▶ **Request may not be processed if the form is incomplete or illegible.**

Tip. Use Form 4506T-EZ to order a 1040 series tax return transcript free of charge.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number if joint tax return

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code

4 Previous address shown on the last return filed if different from line 3

5 If the transcript is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

Third party name	Telephone number
------------------	------------------

Address (including apt., room, or suite no.), city, state, and ZIP code

6 **Year(s) requested.** Enter the year(s) of the return transcript you are requesting (for example, "2008"). Most requests will be processed within 10 business days.

Caution. If the transcript is being mailed to a third party, ensure that you have filled in line 6 before signing. Sign and date the form once you have filled in line 6. Completing these steps helps to protect your privacy.

Note. If the IRS is unable to locate a return that matches the taxpayer identity information provided above, or if IRS records indicate that the return has not been filed, the IRS may notify you or the third party that it was unable to locate a return, or that a return was not filed, whichever is applicable.

Signature of taxpayer(s). I declare that I am the taxpayer whose name is shown on either line 1a or 2a. If the request applies to a joint return, **either** husband or wife must sign. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of signature date.

Sign Here	▶ Signature (see instructions)	Date	Telephone number of taxpayer on line 1a or 2a
	▶ Spouse's signature	Date	

Purpose of form. Individuals can use Form 4506T-EZ to request a tax return transcript that includes most lines of the original tax return. The tax return transcript will not show payments, penalty assessments, or adjustments made to the originally filed return. You can also designate a third party (such as a mortgage company) to receive a transcript on line 5. Form 4506T-EZ cannot be used by taxpayers who file Form 1040 based on a fiscal tax year (that is, a tax year beginning in one calendar year and ending in the following year). Taxpayers using a fiscal tax year must file Form 4506-T, Request for Transcript of Tax Return, to request a return transcript.

Use Form 4506-T to request the following.

- A transcript of a business return (including estate and trust returns).
- An account transcript (contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed).
- A record of account, which is a combination of line item information and later adjustments to the account.
- A verification of nonfiling, which is proof from the IRS that you did not file a return for the year.
- A Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.

Form 4506-T can also be used for requesting tax return transcripts.

Automated transcript request. You can call 1-800-829-1040 to order a tax return transcript through the automated self-help system. You cannot have a transcript sent to a third party through the automated system.

Where to file. Mail or fax Form 4506T-EZ to the address below for the state you lived in when that return was filed.

If you are requesting more than one transcript or other product and the chart below shows two different RAIVS teams, send your request to the team based on the address of your most recent return.

If you filed an individual return and lived in:

Florida, Georgia, North Carolina, South Carolina

Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming

Arkansas, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia

Mail or fax to the "Internal Revenue Service" at:

RAIVS Team
P.O. Box 47-421
Stop 91
Doraville, GA 30362
770-455-2335

RAIVS Team
Stop 6716 AUSC
Austin, TX 73301
512-460-2272

RAIVS Team
Stop 37106
Fresno, CA 93888
559-456-5876

RAIVS Team
Stop 6705 P-6
Kansas City, MO 64999
816-292-6102

Signature and date. Form 4506T-EZ must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506T-EZ within 120 days of the date signed by the taxpayer or it will be rejected.

Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506T-EZ exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506T-EZ will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form, 9 min.;** **Preparing the form, 18 min.;** and **Copying, assembling, and sending the form to the IRS, 20 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506T-EZ simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

Why: Social Considerations

- There are over 7,000 **vacant and abandoned homes** in Louisville -- and growing each month
- Foreclosures drive down property values for all
 - Sinks **more homeowners underwater** and perpetuates the crisis of negative equity
 - Loss of **tax revenue** for city and school system
- Social costs-- neighbors displaced, equity vanishes, **crime** and the increased cost of public protection

Why: Economics

Annual Cost to Louisville

500 filings/month (2009)

x 60% owner-occupied

300 foreclosures filed against owner occupied properties each month

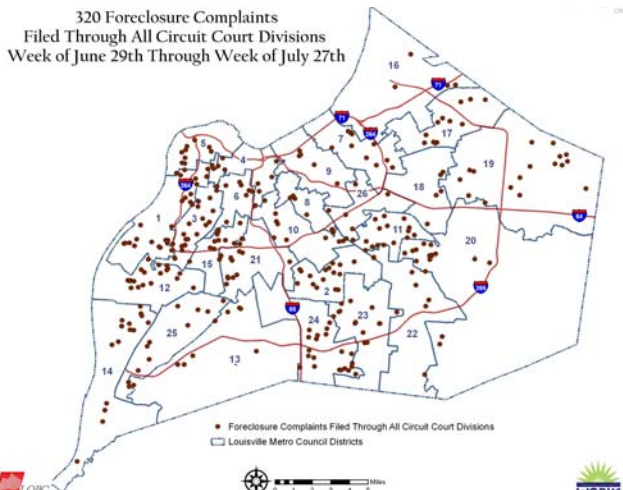
x 50% (average actually sold)

150 owner-occupied homes eventually sold in foreclosure each month

x 12 months/year

1800 owner-occupied homes sold in foreclosure each year

x \$80,000 average cost of each foreclosure sale to community

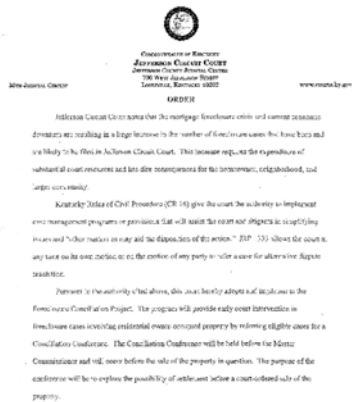


What Is It?

- Alternative Dispute Resolution -- facilitates communication between lenders and homeowners.
- A Court-ordered conference creates a time and date certain where parties can be prepared to explore alternatives to foreclosure.
- If a borrower fills out the required paperwork, the sale is not held until the lender participates in a Conciliation Conference.

What Is the Authority for This?

- CR 16 gives the court the authority to implement case management programs or procedures that will assist the court and litigants in simplifying issues and “other matters as may aid the disposition of the action.”
- JRP 1303 allows the court at any time on its own motion to refer the case for alternative dispute resolution



The court will issue a Notice in every case that is for the effective date of this order. This Notice will advise the Defendant of the eligibility requirements and the affirmative actions the Defendant must take to request a Conciliation Conference. Once the Defendant takes the necessary actions, he or she shall file a Certificate of Participation with the Court and send a copy to the Merit Commissioner at least three weeks prior to the next Clerk's date. For all cases in which the Merit Commissioner has been notified, the Plaintiff must participate in the Conciliation Conference before a case can be set.

So ordered this 3rd day of July, 2009.

Judge Henry, Division 1	Judge James Hobbins, Division 2
Judge Mitchell, Division 3	Judge Charles Cunningham, Division 4
Judge Mary Elmore, Division 5	Judge Martin McDonald, Division 6
Judge Azalea Tucker, Division 7	Judge McKee O'Connell, Division 8
Judge Joseph McDonald-Schwarz, Division 9	Judge Ithamar, Division 10
Judge Caroline Martin, Division 11	Judge Renee Schaefer Gibson, Division 12
Judge Frederic Lewis, Division 13	

How It Happened

- November 2008: Began looking at Philadelphia Model as national best practice
- December 2008: Assembled a working group of stakeholders
 - Lenders' attorneys, Mortgage Bankers' Association, Circuit Clerk's office, Master Commissioner's office, Mayor Abramson's office, Congressman Yarmuth's office, Legal Aid Society, Making Connections Network, Kentucky Housing Corporation, Metropolitan Housing Coalition

How It Happened

- January 2009: Grant from Annie Casey Foundation to observe in Philadelphia for 2 days
- March 2009: Piloted in 4 of 13 divisions; outreach begins
- July 2009: Circuit-wide launch
- September 2009: 4 AmeriCorps VISTA volunteers and 8 Community Action Partnership outreach workers begin
- Ongoing: Monthly working group meetings and changes

How It Works

- Only owner-occupied homes
- Opt-in Process
 - Homeowner must take action before the Court will order a Conciliation Conference
- Work with a housing counselor to fill out a hardship packet
 - Hardship letter, income and expenses, proof of income, tax returns, proof of occupancy, etc.

How It Works

- Return hardship packet to lender and lender's attorney
- File Certificate of Participation with the Court (homeowner picks the date)
- Attend Conciliation Conference

Certificate of Participation

028888197

RE: 04-04-07-022 ABERRANT CONCILIATION COURT

SECTION 2

ALSO: _____

PLAINTIFF: Chick Brown Corp.

DEFENDANT: Marvin Brown, et al.

Certificate of Participation
(File in Clerk's Office at East Tennessee State's Attorney or
West's Chancery Office at 134 W. Liberty St., Nashville, TN 37203)

I represent that I am the owner of the property listed below, who is presently
under no legal obligation to the lender, and that I have not previously
participated in a similar program. I have read the attached Conciliation Packet, I have
understood its contents, and I have agreed to the terms and conditions of the
program.

My Address: 10733 Collins Road, Memphis, TN

My Date: 10/23/07

Date of Conciliation Conference: 10/23/07

The Conciliation Conference will occur at 2:00 p.m. on the above date in the Mayor
Chancery Office at 134 W. Liberty St., Nashville, TN.

I hereby declare that the above information is true and correct, I understand that I
will be subject to the penalties set forth in the attached Conciliation Packet, and I
understand that I will be responsible for the costs of the program.

Chick Brown Date: 10/23/07
Signature of Plaintiff

028888197

How We Connect with Borrowers

Because FCP requires action from the homeowner, we devote a **ton of time** and attention to connecting with homeowners

- Notice in the Complaint
 - little change, BIG DIFFERENCE
- Outreach workers knock on the doors of homeowners in foreclosure
- Homeowners call the Protect My KY Home hotline or visit the website.
- Homeowners may attend a foreclosure clinic at Legal Aid Society

Notice

Mayor Abramson wants you to know your options!

You are facing foreclosure, but you may have other options. Get help by calling the Kentucky Homeownership Protection Center.

Call 1-866-830-7868 or visit www.protectmykyhome.org

It's not too late. But it's important to act today.

IMPORTANT: You have 30 days after receiving the Foreclosure Complaint to exercise your legal rights to bring an answer with the Court. Contact your attorney for help with this.

If you do not hire an attorney or contact official one, you can call the Louisville Bar Association Lawyer Referral Service at 502-581-1010 or the Legal Aid Society at 502-581-1234. Turn over for details.

Notice

HOW TO PRESERVE YOUR LEGAL RIGHTS

RIGHTS GUARANTEED BY THE FORECLOSURE CONCLUSION PROJECT (FCP) ARE LIMITED TO THE FORECLOSURE CONCLUSION PROJECT. YOU MUST FILE AN ANSWER WITH THE COURT WITHIN 30 DAYS OF RECEIVING THE FORECLOSURE COMPLAINT. IF YOU DO NOT HIRE AN ATTORNEY OR CONTACT OFFICIAL ONE, YOU CAN CALL THE LOUISVILLE BAR ASSOCIATION'S LAWYER REFERRAL SERVICE AT 502-581-1010 OR THE LEGAL AID SOCIETY AT 502-581-1234.

HOW TO PARTICIPATE IN THE FORECLOSURE CONCLUSION PROJECT

MEET IN THE COURT

The Foreclosure Conclusion Project (FCP) is a new project created by the Jefferson County Circuit Court to encourage homeowners and their banks to pursue alternatives to foreclosure. If you complete and return a hearing packet to your lender, the Court will require your lender to meet with you before your house is sold. Your hearing coordinator will help you complete the hearing packet.

WHO OUGHT FILE?

Homeowners who are in and have the home subject to this foreclosure suit.

HOW TO ENROLL IN THE FORECLOSURE CONCLUSION PROJECT

1. **STAY** in your home. Do not move out.
2. **CALL** the Project by Homebank Home Hotline: 1-866-830-7868 or **VISIT** www.protectmykyhome.org. This will connect you with a hearing coordinator.
3. **ATTEND** a free clinic at Legal Aid Society to learn about the foreclosure process and alternatives to foreclosure. These clinics are on Tuesday at 11 a.m. and Tuesday at 6 p.m. at Legal Aid Society's office on the 3rd floor of 416 W. Muhammad Ali Blvd. Call 502-581-1234 to schedule your clinic in the office.
4. **PREPARE** a proposal with a housing coordinator.
5. **SEND** the proposal to the lender and the original form to the Court. The hearing coordinator will help you with this. These documents are due at least three weeks prior to the Conclusion Conference date, or it is required to get ready to go to the hearing. The hearing coordinator can tell you exactly when your paperwork is due.
6. **MEET** with your lender at the Conclusion Conference. An official alternative to foreclosure. Your hearing coordinator can help you the week prior to your Conclusion Conference.

Remember, the Foreclosure Conclusion Project **DOES NOT STOP** the foreclosure process. Contact your attorney today.

LOUISVILLE BAR ASSOCIATION'S LAWYER REFERRAL SERVICE: 502-581-1010

Legal Aid Society: 502-581-1234

What Does a Housing Counselor Do?

- Prepares a hardship packet
- Sends hardship packet and Certificate of Participation to lender and lender's attorney
- Waits on hold
- Negotiates a loan modification or other alternatives to foreclosure
- Attends the Conciliation Conference

CHANGES

- Changes Compared to Philadelphia
 - Opt-in process to account for our different capacities
- Changes to Existing Process
 - Notice
 - Outreach
 - Housing counselors
 - Time and Date Certain for conference
 - No sale until Conference occurs
 - Pro Bono Attorney

Alternative Models

- Straight Mediation
 - Mediators should be trained in how federal programs work
- Court-arranged date to meet housing counselor/attorney
 - Just use Notice as a cattle call
- Indiana/Maine/New York, etc...
 - Notice, Mediation, Production of Documents, Stays

Getting Started

- Every Circuit may have different needs
- Discern Demand & Capacity
 - Outreach, Housing Counselors, Attorneys
- Assemble Stakeholders
 - Wide Net
- Volunteer Opportunities: Outreach, Foreclosure Clinics, Pro Bono Representation

Call Us

- Come observe our process
 - Every other Thursday at 10
 - Clinics on Tuesday at 11 and Thursday at 5
 - Outreach always
 - Working Group on 3rd Friday of the month
- James Shake: james@kycourts.net, 595-4062
- Dan Albers: dalbers@jcomm.org, 574-5934
- Ben Carter: bcarter@laslou.org, 614-3134

I. THE PROBLEMS

A. Volume

1. Numbers.

- a. Before crisis: 125 foreclosures filed/month.
- b. During crisis: 400 foreclosures filed/month.
- c. March: more than 500 foreclosures filed.

2. Effect.

- a. Joint Budget Committee estimates that each foreclosure costs the homeowner, lender, and larger community \$80,000.
- b. Lost equity, deficiency judgment, court costs, attorney fees, damage to property, lowered values for surrounding homes, loss of tax revenue.
- c. \$144,000,000/year problem in Jefferson County alone.

B. Communication

1. Volume raises the stakes while lowering parties' abilities to achieve successful outcomes.

Foreclosure pursued as a default, but systems aren't in place to escape the default.

2. Communication breaks down along two lines.

a. Lender and homeowner.

- i. Homeowners report long hold times, dropped calls, transfers from one department to another, speaking with a different person each time they call, unreceived faxes, lost docu-

ments, stale documents, long wait times, unaffordable offers, offers that don't conform to federal program.

- ii. Cumulatively, this wears homeowners down and they give up.
- iii. Lenders report homeowners are uncommunicative and/or uncooperative.

- b. Homeowner and community service providers.

With stakes raised, it becomes even more important that community service providers do as good a job as possible with outreach to homeowners facing foreclosure.

II. THE PROJECT

- A. The FCP is a collaboration between the Court system (Judges, Clerk's office, and the Master Commissioner's office), the Mayor's office, creditors' attorneys, housing counseling agencies, the Louisville Bar Association, University of Louisville Law School, pro bono attorneys, and the Legal Aid Society.
- B. Created using the Court's case management authority and authority to order alternative dispute resolution.
- C. Introduces four minor changes to the foreclosure process -- each change aimed at facilitating communication between parties.
 - 1. Notice, outreach, conciliation date, *pro bono* attorney.
 - 2. Conciliation date.
 - a. If a homeowner opts-in to the FCP, the Court will order a Conciliation Conference. The Conference is simply a meeting between the lender and homeowner to explore alternatives to foreclosure.
 - b. Court will not allow a piece of property to be sold until the meeting has occurred.

Important note: The FCP and normal judicial foreclosure process proceed along dual tracks. In other words, participating in the FCP **does not** prevent

judgment from being entered against a homeowner. Homeowner must still file an answer within twenty days to preserve legal defenses.

- c. How does a homeowner opt-in?
 - i. Homeowner must meet with a housing counselor, complete a hardship packet and “opt-in” form, and return it to the lender’s attorney within sixty days of service of the foreclosure Complaint.
 - ii. Once the homeowner has submitted a packet, the Court will schedule a conference three weeks later.
 - a) Conferences occur at 10:00 a.m. on alternate Thursdays in the auditorium on the first floor of the Old Jail Building (514 W. Liberty).
 - b) The lender is allowed to appear telephonically, but the lender’s attorney must appear in person.
 - c) Both parties are required to negotiate in good faith.

3. Notice.

- a. Message in notice is simple: call the Homeownership Protection Center.
- b. When homeowner calls HPC, two agencies receive a referral: Legal Aid Society and either Housing Partnership, Inc. or Louisville Urban League. HPI and LUL are HUD-certified housing counseling agencies.
- c. What happens after referral.
 - i. Legal Aid Society invites homeowners to attend one of our twice-weekly clinics. At the clinic, homeowners receive an overview of the foreclosure process and alternatives to foreclosure, as well as an individual case review

with a LAS attorney. Some homeowners become clients of LAS.

- ii. Housing counseling -- Homeowners compile basic documents needed for a hardship packet and receive an individual consultation with a housing counselor to prepare the hardship packet. Housing counselor reviews budget information and helps the homeowner craft a hardship letter and workout proposal.

4. Outreach.

- a. Reality: Homeowners/defendants don't often read the Complaint; even when they do, they're often already broken and ready to give up.
- b. Lesson from Philadelphia is that homeowners are four times more likely to call the hotline if they receive a knock on the door.
- c. Making Connections Network, Community Resource Network, LAS are working to build this capacity in Louisville.

5. *Pro bono* attorney.

Homeowners who are not represented by LAS will be represented by *pro bono* attorneys during the Conciliation Conference.

- a. Limited scope of representation.
- b. Focused only on pursuing alternative to foreclosure.

III. VOLUNTEER OPPORTUNITIES

A. *Pro Bono* Attorney

- 1. Limited representation (10:00 a.m. on alternate Thursdays).
- 2. Full representation.

- B. Outreach Work
 - 1. Flexible hours.
 - 2. Available to laypeople, community groups.
- C. Interview Homeowners at Twice-Weekly Clinics
 - 1. 11:00 a.m. on Tuesdays (interviews to start at noon).
 - 2. 5:00 p.m. on Thursdays (interviews to start at 7:00).
 - 3. LAS uses University of Louisville law students to help with interviews.

IV. OTHER FORMS OF FORECLOSURE RESPONSE

- A. Court-Ordered Mediation
- B. Court-Facilitated Connection with Service Providers (attorneys and housing counselors)
- C. Conferences with Higher or Lower Document-Production Requirements
 - 1. Original note and mortgage.
 - 2. Net present value analysis.
- D. Local Considerations
 - 1. Outreach capacity.
 - 2. Housing counselor availability.
 - 3. Legal Aid/Local bar capacity.
 - 4. Clerks and Master Commissioner's interest.

V. RESOURCES FOR MORE INFORMATION

- A. To Find a Local Housing Counseling Agency

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=KY>

B. To Find a Local Legal Aid Office

<http://www.kylawhelp.org/node/1268>

C. Kentucky Housing Corporation's Protect My Kentucky Home Hotline and Website

1. (866) 830-7868.

2. <http://www.protectmykyhome.org>.

D. To Read about Other Programs Nationwide

http://www.consumerlaw.org/issues/foreclosure_mediation/content/ReportS-Sept09.pdf