



FORECLOSURE FILING FEE LEGISLATION

WHAT WOULD THIS BILL DO?

- These bills extend the current \$50 Foreclosure Filing Fee (IC 33-37-5-33). The fee will sunset on July 1 of this coming year if one of these measures does not move forward.
- The \$50 fee is paid by lenders each time they file a foreclosure proceeding. Those resources are directed to statewide efforts to prevent foreclosures, through the Mortgage Foreclosure Counseling and Education Account.
- Half of those resources fund court-appointed coordinators to assist borrowers and lenders in the settlement conference process designed to help those parties agree upon a workout for the loan. That program is called the Mortgage Foreclosure Trial Court Assistance Project (MFTCAP).
- The other half of those resources funds foreclosure prevention counseling through the Indiana Foreclosure Prevention Network (IFPN) efforts, including:
 - The 877-GET-HOPE free hotline and 877gethope.org website, through which Hoosiers can access free and confidential foreclosure prevention counseling to any Indiana homeowner who needs it;
 - Free foreclosure prevention counseling services performed by certified housing counselors at IFPN counseling sites throughout the state;
 - A limited amount of legal assistance to Indiana homeowners unable to achieve a mortgage workout or access legal representation on their own;
 - And Indiana HELPS, a training and certification program that builds capacity throughout the state for all counselors participating in 877gethope, ensuring homeowners receive consistent, quality assistance.

WHY IS IT IMPORTANT?

- The investment supports counseling agencies throughout Indiana and any Indiana homeowner at risk of delinquency or foreclosure can benefit from the counseling programs.
- Two of every five homeowners who go through 877gethope and attend a settlement conference, achieve a non-foreclosure workout.
- Counties using court-appointed facilitators through the MFTCAP have seen a nearly four-fold increase in settlement conference request rates, and more than 50% of settlement conferences held in these counties will result in a workout in lieu of foreclosure, helping Hoosiers save their homes.
- Long term, 87% of homeowners that reach an in-home settlement with their lenders remain in their home six months after the conference.
- The resources generated by the filing fee leverage significant federal Hardest Hit Fund resources to increase effectiveness for Hoosier borrowers in need because the federal program relies on the network of housing counselors to intake and counsel borrowers supported by this state resource.

MORTGAGE FORCLOSURE TRIAL COURT ASSISTANCE PROJECT BACKGROUND/OUTCOMES

- The Mortgage Foreclosure Trial Court Assistance Project (MFTCAP) was created to help trial courts schedule and conduct mortgage foreclosure settlement conferences. This program utilizes court-appointed facilitators to reach out to foreclosed borrowers, ensure they are aware of their right to a settlement conference, and to bring both parties to the table to try to find a mutually-agreeable settlement, or “workout.”
- Mortgage Foreclosure Trial Court Assistance Program (MFTCAP) - Funded by IHCDA through the \$50 Foreclosure Filing Fee and administered by the Indiana Supreme Court Division of State Court Administration.
- Upon resolution, facilitators must report outcomes to the trial court and the Division of State Court Administration.
- Available in over 20 counties, including those hardest-hit by foreclosure. This covers 65% of all foreclosure filings and also covers the 10 hardest-hit areas within the State.
- Over 45 court-appointed MFTCAP facilitators are paid a maximum of \$135 per case, and approximately 50% of cases end in a workout, saving the state millions each year.
- Current MFTCAP counties include: Allen, Bartholomew, Boone, Brown, Clark, Delaware, DeKalb, Elkhart*, Hamilton, Hancock, Hendricks, Howard, Johnson*, Lake, LaPorte, Madison, Marion, Martin, Monroe, Morgan, Posey, Porter, St. Joseph, Shelby, Wells, and Vanderburgh*.

In 2016 Alone: In All Pilot Counties (1/1/16 – 11/1/16):

- 1,664 preliminary telephone conferences were scheduled;
- 1,310 telephone conferences were held (the remaining 354 borrowers failed to appear);
- 1,182 borrowers were eligible for a settlement conference;
- 1,139 settlement conferences were requested and held;
- 428 conferences resulted in workouts (383 in a stay-in-home workout);
- 374 conferences resulted in foreclosure; and
- 337 conferences are being followed up by the facilitator.

Since the Program Began: In All Pilot Counties (4/1/10 – 11/1/16):

- 32,933 preliminary telephone conferences were scheduled;
- 20,289 telephone conferences were held (the remaining 12,644 borrowers failed to appear);
- 17,836 borrowers were eligible for a settlement conference;
- 16,453 settlement conferences were requested and held;
- 8,682 conferences resulted in workouts (7,664 in a stay-in-home workout);
- 7,430 conferences resulted in foreclosure; and
- 341 conferences are being followed up by the facilitator.¹

¹ MFTCAP Information provided by the Indiana Supreme Court

INDIANA FORECLOSURE PREVENTION NETWORK COUNSELING ORGANIZATIONS

COUNSELING ORGANIZATION	COUNTIES SERVED
Affordable Housing Corporation	Blackford, Cass, Delaware, Grant, Henry, Howard, Huntington, Jay, Madison, Miami, Randolph, Tipton, Wabash, Wells
Brighton Center, Inc.	Dearborn, Ripley, Switzerland
Consumer Credit Counseling Service of Northwest Indiana, Inc.	Lake, Porter, LaPorte, Jasper, Newton, Starke, Pulaski
City of Gary-Community Development Division	Lake
City of South Bend	St. Joseph
Community Action Program of Evansville	Clark, Clay, Floyd, Gibson, Harrison, Owen, Posey, Putnam, Sullivan, Vanderburgh, Vigo, Warrick, Washington
Community Action of Western Indiana	Benton, Fountain, Montgomery, Parke, Vermillion, Warren
Fort Wayne Urban League	Allen, Adams, DeKalb, Huntington, LaGrange, Steuben, Wells, Whitley, St. Joseph, Kosciusko, Marshall, Noble, Wabash
Home Ownership Center of Greater Cincinnati, Inc.	Wayne, Fayette, Union, Franklin, Ripley, Dearborn, Ohio, Switzerland, Jefferson, Harrison, Floyd, Clark, Scott
Homestead Consulting Services/Lafayette Neighborhood Housing Services, Inc.	Tippecanoe, Benton, Boone, Carroll, Clinton, Fountain, Montgomery, Putnam, Warren, White
HOPE of Evansville	Vanderburgh, Warrick, Posey, Gibson, Pike, Dubois, Spencer, Perry
Housing Opportunities, Inc.	Porter, Jasper, Fulton, Starke, LaPorte, Newton, Pulaski, Lake
LaCasa, Inc.	Elkhart, Noble, Marshall, St. Joseph, Kosciusko, LaGrange
Martindale Brightwood Community Development Corporation	Marion, Hamilton, Hancock, Hendricks, Johnson, Morgan, Boone
Neighborhood Christian Legal Clinic	Marion, Boone, Hamilton, Hancock, Johnson, Morgan, Hendricks, Shelby
Pathfinder	Adams, Allen, DeKalb, Huntington, Jay, LaGrange, Kosciusko, Marshall, Noble, Starke, Steuben, Wabash, Wells, Whitley, St. Joseph, Miami, Howard, Blackford, Randolph, Madison, Hamilton, Boone
Transition Resources Corporation	Bartholomew, Shelby, Jennings, Brown, Rush, Johnson, Decatur, Jackson, Monroe, Fayette, Morgan, Lawrence, Clark, Hancock, Wayne, Owen, Scott, Henry, Washington, Hamilton, Dearborn, Franklin
Transition Resources Corporation	Allen, Blackford, Clinton, Delaware, Grant, Henry, Howard, Jay, Madison, Randolph, Tipton, Wayne
TRI-CAP	Clark, Crawford, Daviess, Dubois, Floyd, Gibson, Greene, Harrison, Knox, Lawrence, Perry, Pike, Posey, Scott, Spencer, Vanderburgh, Warrick, Washington