

My name is Sarah Poriss and I am here to testify today in support of Governor's Bill No. 6355, An Act Concerning Homeowner Protection Rights.

I am a solo attorney and I work almost exclusively with clients who are in debt or who are in foreclosure. Since the commencement of the Foreclosure Mediation Program in 2008, I have assisted dozens of clients through the mediation program. These are homeowners whose only hope of staying in their homes is a combination of assistance from their lenders to modify the terms of their mortgages and buying homeowners time to get back on their feet financially to be able to afford the modified payments on their mortgages. My job is to strike a balance between keeping my clients in their home during the modification process and keeping their attorney's fees low—the fees I have to charge and the fees the attorneys for the lenders charge the longer the mediation and modification process takes.

The changes proposed to the foreclosure procedures in this Bill will assist both homeowners and lenders. I say that because I believe it is always better for the lender to turn a non-performing mortgage into a performing mortgage. This in turn keeps families in their homes and in their communities, thereby preserving home values and neighborhood stability. Many of my clients remain successfully in their homes after participating in the foreclosure mediation program: I started working with one family, a couple with three children, in September, 2010, who would certainly have had their case go to judgment and have lost their home, but thanks to my ability to get them into the mediation program they have just this month been approved for a permanent modification of their mortgage. The statutory requirement of mediation in good faith- and this Bill's narrowing of the definition of good faith- will result in lenders focusing more closely on foreclosure mediation and modification of mortgages, or else be at risk of strict and meaningful sanctions.

The changes proposed by this Bill will reduce and hopefully eliminate the Kafka-esque pattern of submitting financial documentation and proof of income to the lender over and over that usually forces the less sophisticated or disabled homeowners to drop out of the process. Empowering the mediators to determine when a financial package is complete will standardize what mortgage servicers can require homeowners to submit so they will no longer be able to hold back a modification application based on arbitrary criteria, which will give every homeowner the same shot at saving their home.

A suggested change to the Bill would be to permit homeowners to participate in 'pre-mediation' meetings with the foreclosure mediators, who will help homeowners assemble their financial packages, prior to engaging in formal mediation with the lender—this change will make the formal mediations more productive for all participants and using pre-mediation sessions to assemble the financial information will prevent homeowners from using up the three mediation sessions working on this preliminary stage of the process.

In addition, the Bill will require that the lenders' attorneys come to mediation with authority to work out a payment plan to repay a mortgage. Currently homeowners are required to attend mediation but when they make reasonable offers that would resolve their situation, the lender's lawyer is rarely if ever in a position to agree to the homeowner's offer. This is an important and necessary change to the process of keeping families in their homes and keeping the process fair. Thank you.