

**Illinois Housing Development Authority**  
**Circuit Court of Cook County Mortgage Foreclosure Mediation Program**  
**Housing Counseling Grant Application**  
**July 2017**

The Illinois Housing Development Authority (IHDA) is now accepting applications from HUD Certified Housing Counseling Agencies (“Agencies”), within Cook County, Illinois who are interested in participating in the Cook County Mortgage Foreclosure Mediation Program (“Program”). Applications are due by 4:30 p.m. on Monday, July 10 2017. Please read the application carefully and submit complete, detailed answers. Do not leave any application question blank. Please be mindful that the application has more than one tab that must be completed.

Please email the application to [CCMFMPinfo@ihda.org](mailto:CCMFMPinfo@ihda.org) with the subject “CCMFMP Application R6”.

***Submission of this application does not guarantee an award of grant funds. Awards are to be granted at IHDA's sole discretion.***

**Cook County Mortgage Foreclosure Mediation Program (“Program”)**

In response to the rising volume of mortgage foreclosure cases in Cook County, the Circuit Court of Cook County designed an expanded Mortgage Foreclosure Mediation Program to help foreclosure litigants reach an agreement with lenders to modify their mortgages or to negotiate graceful exits from properties in foreclosure. The Program is based on the existing rule for mediation (Cook County Cir. Ct. R. 21.01, et seq., Chancery Court-Annexed Mediation) and applies to owner-occupied homes of six units or less and owner-occupied condominiums, where the homeowner is a defendant in a mortgage foreclosure case pending in the Circuit Court of Cook County.

The Program is announced to residents of Cook County and eligible homeowners through a variety of methods. An eligible homeowner will receive his/her primary notice through the foreclosure summons when the lender initiates a foreclosure complaint. Other methods of outreach will be utilized to inform the residents of Cook County at large.

The Program is structured to quickly bring free help from housing counselors and attorneys to homeowners facing foreclosure. With assistance provided prior to the first court hearing, homeowners will be able to make informed decisions and will proceed under a realistic set of expectations, set out by the initial meetings with the housing counselors and attorneys.

The Program will work as follows:

- A defendant in a mortgage foreclosure case will be served with a foreclosure complaint and the new summons. The summons includes a helpline phone number for the defendant to call to the helpline number to set up an appointment with a housing counselor and an attorney at the courthouse. The homeowner will receive further appointments for follow-up housing counseling meetings at the counselor's agency.
- The helpline will be staffed and maintained by the Illinois Housing Development Authority, which will provide and monitor housing counselors from agencies around Cook County.
- The housing counseling component is vital to the success of the Mediation Program because housing counselors are trained to assess an individual's financial situation and to determine if a loan modification will be sustainable by the homeowner. Once the homeowner meets with the housing counselor, they will also be scheduled an appointment to consult with an attorney from the Chicago Legal Clinic. This attorney will be able to screen the homeowner's case for potential jurisdictional issues and mortgage fraud issues, among other legal concerns, and will also assist the homeowner in completing the appropriate paperwork to give to the Court.
- The homeowner will then appear in court at his/her assigned case management date and present the appropriate paperwork (completed prior to the case management date with the assistance of the Chicago Legal Clinic attorney). At that time it is anticipated that: 1) an attorney may be appointed to represent the homeowner; 2) the case will be referred to mediation (to negotiate a loan modification, a deed in lieu of foreclosure, a graceful exit from the property, etc.); or 3) the case management date will be stricken and the case will proceed on its normal course of litigation.
- Homeowner will have an opportunity to speak with an in-court case manager who will be able to facilitate conversations between the homeowner before or after the court hearing.
- If the case is assigned to mediation, the mediation will follow the guidelines set forth in Circuit Court Rule 21 for Chancery Court Annexed Mediation.
- If the parties reach an agreement, the case will be dismissed. If the case is not settled through mediation, the case will return to the normal course of litigation.

## **Role of Counseling Agency**

Agencies will be selected to participate based on criteria described within the Application.

Agencies selected for participation will receive funding on a “fee for service basis” for files completed and submitted to the Illinois Housing Development Authority and Chicago Volunteer Legal Services (CVLS). Files will be paid at a rate of \$150 per file for completed files with complete checklists and case notes submitted to IHDA, \$350 for completed files sent to CVLS, or \$500 for a permanent solution that comes as a result of other efforts. Agencies will also be responsible for providing continuing services and follow-up – such as updates to loan modification applications and documents – to homeowners until cases are complete.

The Program requires at least one housing counselor per day (Monday through Thursday) during the agency’s rotation month at the 69 W. Washington Street. IHDA will supply agencies with a rotation schedule. Frequency of monthly rotation will be determined by the number of agencies participating in the program.