

**COURT OF COMMON PLEAS OF LEHIGH COUNTY, PENNSYLVANIA
31ST JUDICIAL DISTRICT**

HOME MORTGAGE FORECLOSURE CONCILIATION PROGRAM

INTRODUCTION

By Administrative Order in May 2009, the Court of Common Pleas of Lehigh County (the “Court”) originally established a mortgage foreclosure conciliation program to address the proliferation of residential mortgage foreclosures following in the wake of the 2008 financial crisis. Since that time, and following improvements in 2010, the program has proven effective and has benefitted both homeowner and lenders in numerous foreclosures. The Court provides the following information about the Lehigh County Home Mortgage Foreclosure Conciliation Program.

GOAL

The Home Mortgage Foreclosure Conciliation Program (“Program”) seeks to reduce the number of Lehigh County homes (primary residences) sold at Sheriff’s Sale by establishing a procedure which facilitates meaningful settlement communication and negotiation between homeowners and mortgage lenders and/or their servicing agents.

PROCEDURE

The Program consists of the following procedure:

1. In all mortgage foreclosure complaints involving the owner’s primary residence, the Plaintiff shall indicate on the cover sheet that the property is “Residential.” The program only applies to “residential” real property meaning real property located in Lehigh County occupied by an owner as the owner’s primary residence where the property constitutes a one (1) or two (2) family residence. Foreclosures on real property which do not constitute the owner’s primary residence do not qualify for participation in the Program. For example, commercial properties, properties used primarily for commercial purposes, or even properties containing more than 2 units where owner may reside are not eligible for participation in the Program.
2. All foreclosures on residential real property will immediately be scheduled for a Conciliation Conference to take place approximately forty-five (45) days from the filing of the foreclosure complaint. (A minimum of 45 days is needed to allow time for the Defendant to be served and to prepare for the Conciliation Conference).
3. A Conciliation/Case Management Order will be served upon the parties with the date, time, and location of the Conciliation Conference, as well as information for any Defendant interested in avoiding a Sheriff Sale of their residential property to contact and coordinate with a housing counselor provided by outside agencies, such as the Community Action Lehigh Valley (CALV), prior to the Conciliation Conference. The services of the housing

counselor are FREE OF CHARGE to the Defendant(s). **HOWEVER, THE HOUSING COUNSELOR IS NOT A LAWYER AND CANNOT GIVE LEGAL ADVICE.** A typical Conciliation/Case Management Order form is attached as Exhibit "A" for review purposes.

4. Conciliation Conferences will be listed for 9:30 a.m., generally two Wednesdays each month. The court appointed Mortgage Conciliation Hearing Officer will preside over the matters listed.
5. At the Conciliation Conference before the Mortgage Conciliation Hearing Officer:
 - a. The Defendant will meet with a housing counselor and/or schedule an appointment with a housing counselor with directions to bring documentation the housing counselor has requested from Defendant(s).
 - b. Either at the Conciliation Conference or at a subsequently scheduled meeting, the housing counselor will review the options available to Defendant(s) as alternatives to foreclosure and a Sheriff Sale of one's primary residence, advise the Defendant(s) about those options, and assist the Defendant(s) in negotiating a resolution of the case with the mortgage lender.
 - c. Counsel for Plaintiff must appear and have telephone access to a representative of the mortgage holder/servicing agent with settlement authority.
 - d. Counsel for Plaintiff and the Defendant(s)/housing counselors/Defendant's attorneys, if any, will communicate in an effort to find a resolution that results in the homeowner remaining in the home.
 - e. If the parties are unable to reach an agreement, the conference may be continued and rescheduled to another date and time, at the Hearing Officer's discretion, or be removed from the Program and assigned to a Judge.
 - f. Failure of the attorney for Plaintiff to appear for the Conciliation Conference, or have a representative with settlement authority available, may result in sanctions including, without limitation, dismissal of the case.
 - g. Failure of Defendant(s) to appear for the Conciliation Conference may result in removal of the case from the Program and the matter being scheduled for trial.
 - h. Application for continuances must be submitted to Court Administration at least five (5) days prior to the scheduled Conciliation Conference date.

**IN THE COURT OF COMMON PLEAS OF LEHIGH COUNTY, PENNSYLVANIA
CIVIL DIVISION**

	Plaintiff	:
- VS -		:
	Defendant	:

: File No.
:
:

CONCILIATION/CASE MANAGEMENT ORDER

AND NOW, this _____ day of _____, 20__ , a complaint having been filed to foreclose upon a residential mortgage, IT IS ORDERED THAT:

- 1) **A Conciliation/Case Management Conference is scheduled for _____, 202__ , at 9:30 a.m. in Courtroom _____, Lehigh County Courthouse, 455 West Hamilton Street, Allentown, Pennsylvania 18101.** Counsel for the Plaintiff, or a designated agent for the Plaintiff, who has actual authority to modify the mortgage, enter an alternative payment arrangement, or otherwise resolve the action, as well as counsel for the Defendant(s), or the Defendant(s) themselves, are required to attend the Conciliation/Case Management Conference. All parties shall make a good-faith effort to settle the case at this time.

- 2) The Plaintiff shall proceed to effect service of the complaint upon the Defendant(s) and ensure that proper proof of service has been filed with the Clerk of Judicial Records.

- 3) If the Defendant(s) are interested in attempting to avoid foreclosure by any number of means (such as participating in a government program, making monetary payment, entering into a repayment plan over time to bring the mortgage current, paying off the mortgage, vacating the premises in the near future in exchange for not contesting the matter, offering the lender a Deed in Lieu of Foreclosure, entering into a short sale, filing bankruptcy proceedings, filing an answer to contest the complaint or file a motion to open or strike the judgment), they are encouraged to contact the housing counselor at Community Action Lehigh Valley, a non-profit agency, telephone number 1-800-755-1563 (toll free) or 610-691-2876. The housing counselor can offer advice and suggestions, and can assist in contacting the mortgage company. However, the housing counselor is not a lawyer and cannot give legal advice. The services and assistance of the housing counselor are FREE OF CHARGE to the Defendant(s).

- 4) **PENDING FURTHER ORDER OF COURT, ALL PROCEEDINGS ARE STAYED; DEFENDANT(S) NEED NOT FILE AN ANSWER TO THE COMPLAINT; AND NO DEFAULT JUDGMENT MAY BE TAKEN OR SHERIFF SALE SCHEDULED OR HELD IN THIS MATTER.**
- 5) If Plaintiff's counsel fails to attend, the case may be dismissed.
- 6) If Defendant fails to attend, you will miss an opportunity to settle your case and you may waive your chance to be heard on important issues.

BY THE COURT:

, J.