



CALL ALERT

December 28, 2009

CALL Alert for December 28, 2009- FLORIDA SUPREME COURT ORDERS MEDIATION IN FORECLOSURE CASES

Today the Florida Supreme Court issued an Administrative Order, signed by Chief Justice Peggy Quince, ordering local judges to adopt a uniform mediation program for mortgage foreclosure cases. By entering the Administrative Order, the Supreme Court confirmed the recommendations of the Task Force on Residential Mortgage Foreclosure Cases which issued its findings earlier this year. The Administrative Order contains a model order whereby each chief judge of every circuit will refer all mortgage foreclosure cases involving residential homestead property to mediation. Mediation is being recommended to address the lack of communication which exists between the delinquent borrower and the banks, which the Task Force identified as being the most significant problem. The Administrative Order requires mediations to occur within a two to four month period after the foreclosure lawsuit is filed. Borrowers will have the option of declining participation in the mediation. Further, the Administrative Order requires the bank's to pay for the costs of mediation.

Clearly, the goal of the Supreme Court's Administrative Order, which is 105 pages in length with exhibits, is to better address the 450,000 foreclosure cases currently pending in Florida. We at CALL are concerned about the potential for further delays that the Administrative Order may cause in bank foreclosure cases that are already being excessively prolonged by the banks. On a positive note, the Administrative Order may accomplish the intended result of keeping more owners from foreclosure, which could result in community associations avoiding the unfavorable "statutory cap" on delinquent assessments which is imposed when the banks take title to the subject property via foreclosure. We are in the process of fully evaluating the just released Administrative Order and will seek ways to use it to further protect the interests of Florida's community associations.

"A complete copy of the Florida Supreme Court's Administrative Order has been posted on the CALL website (www.callbp.com) under the "Publications and Video" tab and the "CALL" subheading".

Sincerely,

Yeline Goin and David Muller, Co-Executive Directors
Community Association Leadership Lobby (CALL)

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