



www.housingmediation.com
www.flsvideo.com



Open Mediation Network

Mediation has rapidly grown to deal with overburdened court systems and an increasing foreclosure crisis

- Since June 1, 2008 22 states have adopted mediation programs.
- States with mediation programs represent over 227,000 monthly foreclosure filings, or roughly 67% of the total foreclosure market
- Mediation programs are offered as “automatic “ or “Opt-In”, although the trend is to migrate to automatic

Opt-in: programs require that the homeowner be sent a notice that mediation is available.

Automatic: Automatic mediation, also known as mandatory mediation, requires that the borrower opt out or fails to respond to a mandatory outreach effort

Pre-Filing: This involves the servicer and borrower mediating prior to the actual foreclosure filing

Mediation Type	# states	Volume	Pct of Market
Automatic Mediation	7	136,606	40%
Opt in Mediation	15	91,251	27%
No Mediation established	29	110,979	33%
TOTAL	51	338,836	



Government and Public Sector entities are rapidly embracing Pre-Filing (PreSuit) mediation

- January 2011 - Center of American Progress issues 4th report which recommends US Government support for Foreclosure Mediation
 - CAP estimates that the number of potential mediations would be 300,000 per year, with over \$750M in costs and total savings of over \$5,000M (\$5 billion dollars!)
 - They talk extensively about the use of counseling and other trusted third parties as a key part of the program.
- November 2010: Justice Dept and HUD issued [Emerging Strategies for Effective Foreclosure Mediation Programs](#)
 - “Jurisdictions around the country are increasingly offering mediation programs as an opportunity for lenders and homeowners to reach mutually agreeable and beneficial alternatives to foreclosure.”
- November 2010: Fannie Mae released guidance for Pre-Filing mediation in Florida. This alone could drive over 100,000 additional mediation opportunities in early 2011.

Significant pressure for Government entities to support a alternative dispute resolution process

- January 2011 - Senator Whitehouse introduces bill to require Foreclosure Mediation as part of Bankruptcy Process
- 3 other bills working through congress that could dramatically expand foreclosure mediation (HR 4635, HR 5754, and S 2912)
- 50 Attorney's General (AG) are currently negotiating settlement with major servicers regarding the foreclosure "paperwork" issues
 - Likely to include an agreement for large segments of affected borrowers to receive opportunity for "alternate dispute resolution."



FLS has developed the Open Mediation Network (OMN), featuring People, Process and Technology for Mediation Management

1. Consumer outreach and education to ensure that borrowers understand the mediation option
2. HUD Approved Housing Counseling, to ensure the consumers financial situation is considered
3. Nationwide Mediation Network providing trained, certified 3rd party mediators to work with servicer and borrower on a solution
4. Servicer integration, including Data, Documents and Decisions earlier in the process
5. Integrated workflow to ensure a smooth process for all parties.

OMN has worked closely with industry partners on developing a scalable platform design

- Open platform, allowing multiple program managers, counseling partners, and mediation managers. This ensures that we support the needs of each lender and each jurisdiction.
- Web-based “Software as a Service” implementation
- Private label capability, meaning that the platform can operate as the “ABC Court Mediation Platform” or the “ABC Government Mediation Platform” as needed by clients without impacting the open platform concept.
- Servicer integration and decisioning is a key part of the platform
- Platform can be leveraged by servicers including the required documents for mediation
- Platform can be extended to offer the “end state” processing - the “closing” of the transaction



OMN has industry leading partners to support marketing and implementation

- Extensive experience in national foreclosure prevention outreach and education campaigns
- 2nd largest not-for-profit credit counseling firm
- Technology partnerships with Fannie Mae approved case management provider
- Partners have relationships with Florida circuit courts representing over 65% of current mediation volume
- Video education solution which provides education solution for consumer outreach
 - www.housingmediation.com
- Online mediation can support initial mediation effort

Consumer Outreach and Education is a critical first step towards successful mediation

- Video and interactive education module allows consumers to learn about mediation
- Includes 22 videos for consumer education including
 - *What is mediation*
 - *Options to stay in home*
 - *Options to leave the home*
 - *Next steps*
- Available via distributed license
- Engages consumers and drives to action
- Increases opt in rates and sets expectations


<http://www.flsvideo.com/Mediation-Education-Center>

Mediation Education Center

Successful mediation programs have reached agreements up to 75% of the time. This free web site has a series of videos and other learning tools where you can find out how the mediation process works and how it might help you avoid foreclosure. This site, created by a not-for-profit HUD approved counseling agency, is designed to help you learn what your options are.

Learn at Your Own Pace - Private and Secure - No Login Required - Be Prepared for Mediation

Review These 4 Modules to Learn More About Mediation

1 What Is Mediation?	2 Possible Outcome: Keep Your House	3 Possible Outcome: Leave Your House	4 Next Steps
<p>What Is Mediation?</p>  <p>Watch More Educational Videos:</p> <p>What Is Mediation? Have you ever thought "If I can just explain the situation, I am sure we could work out a solution?" The mediation process...</p> <p>What Is The Mediators Role? Mediators are non-judgmental. They listen to the parties and assist and guide them toward their own solution.</p> <p>The Mediation Session At the mediation session, you will meet with the mediator, the lender's attorney and a representative of the lender.</p>	<p>What is Mediation, and How Can it Help?</p> <ul style="list-style-type: none"> • 75% success rate - Learn how successful programs have reached agreements up to 75% of the time. • Mediation process is free to Home-Owner - so learn how this program can be a better alternative to foreclosure • Learn about the role of the mediator and the mediation process. Watch the video series and click through our free online tools to learn more about The Mediation Process <p>Important Tools:</p> <ul style="list-style-type: none"> Click for Contact Information Borrower's Request To Participate in RMFM Program Borrower Financial Worksheet Borrower Request for Lender Disclosures Fannie Mae Hardship Form 		

OMN bridges the information gap between borrower and servicer

- 🏠 Web based, workflow management solution
- 🏠 Already supports over 20 major servicers
- 🏠 Scaled to handle millions of transactions
- 🏠 Integrates dissimilar data into a common platform
- 🏠 Allows many different stakeholders to work together to streamline workflow
- 🏠 Includes potential integrations with Attorneys, Investors, and Service Providers: can all interact on the same platform.
- 🏠 Creates a consistent workflow that is traceable and very audit friendly

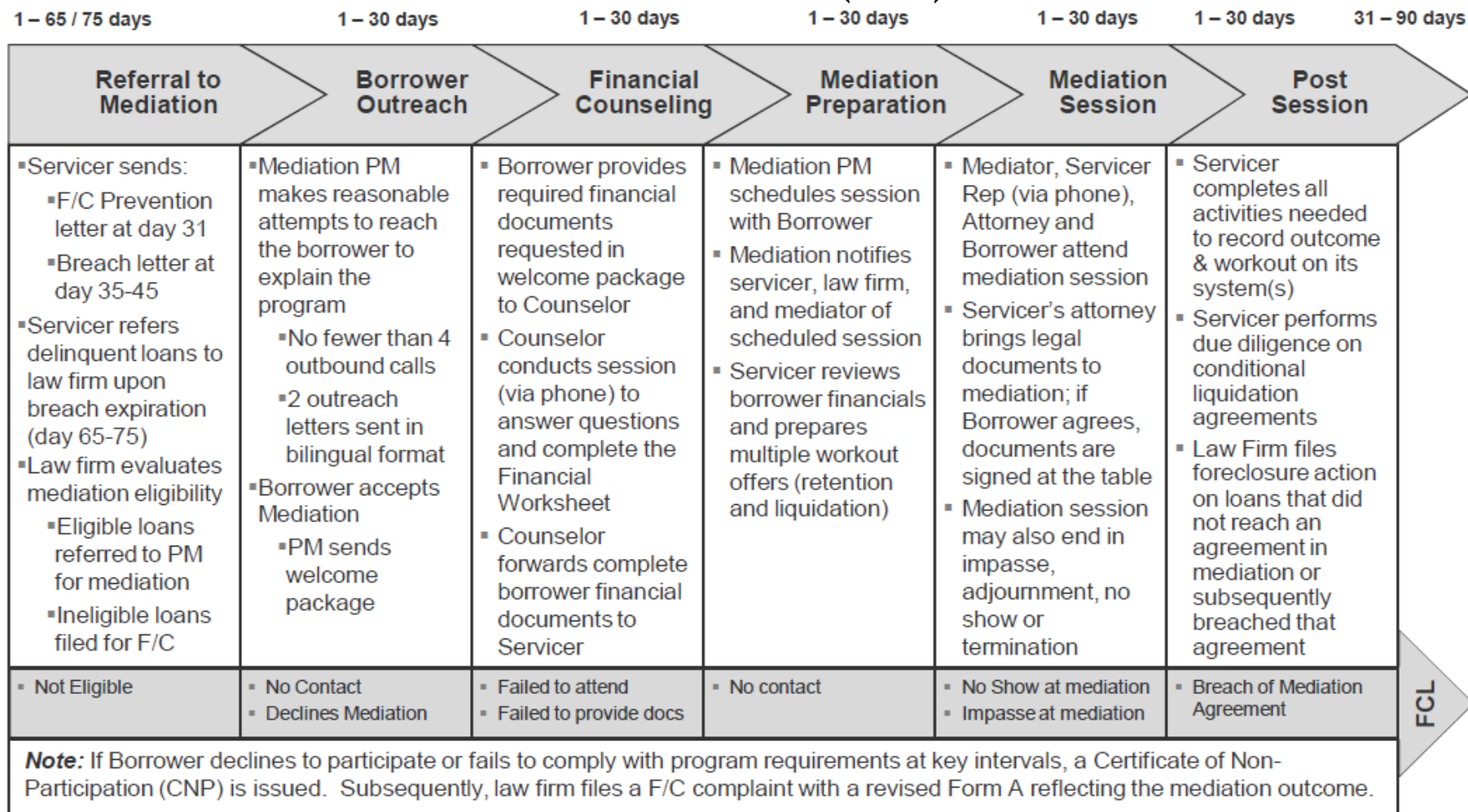


Mediation involves the close coordination of 4 groups

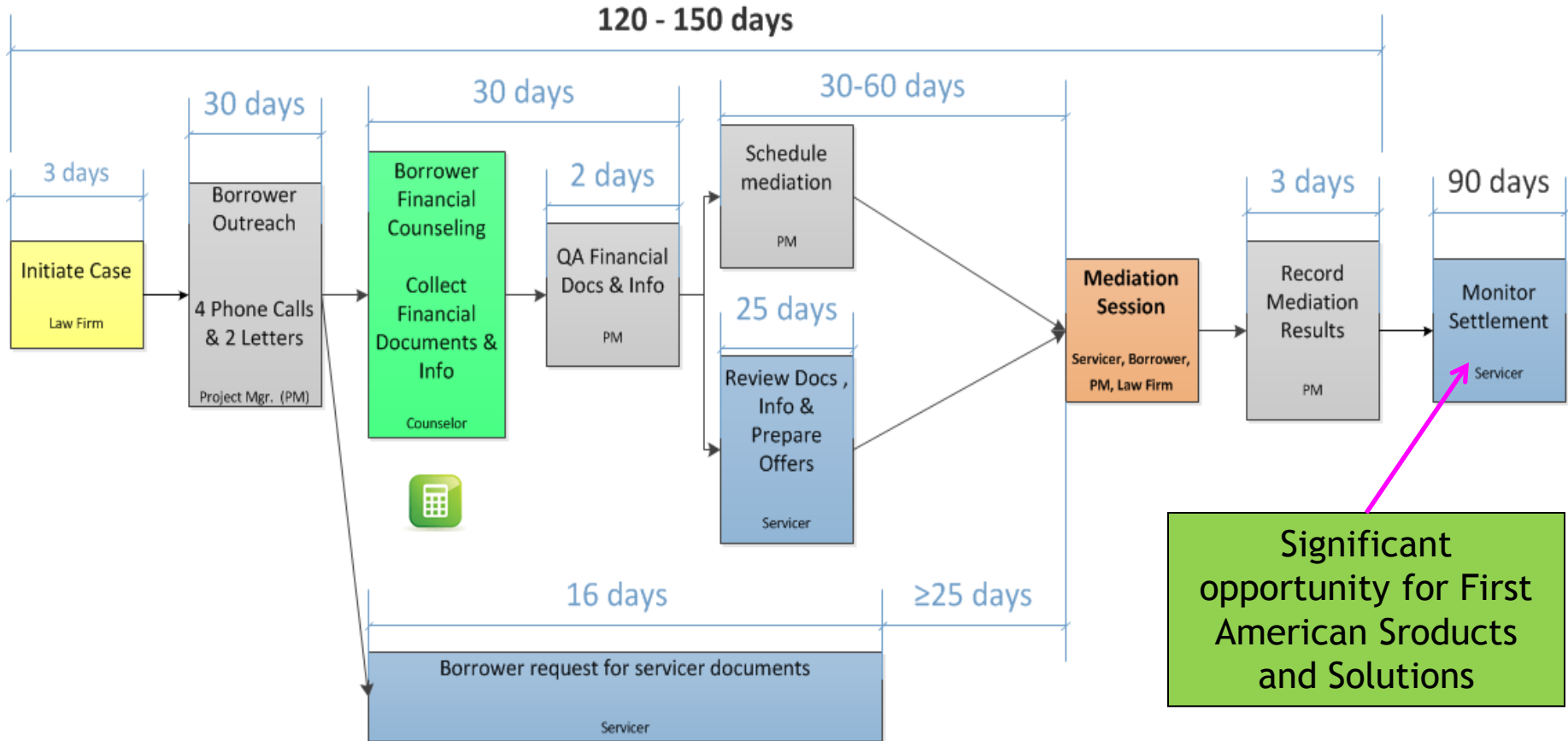
- Mediation PM – Outreach to the borrower to solicit participation, scheduling a mediation session, documenting the outcome of a session, printing borrower notices and letters.
- Counselor – Hosting a session, inventorying borrower documents, summarizing the outcome of counseling.
- Law Firms – Review of offers prepared by servicers, upload of agreements executed by borrowers at session, Acknowledging loans where fcl proceedings should be commenced.
- Servicer – Review of Preparation and upload of Offers, Update the status of agreements in mediation



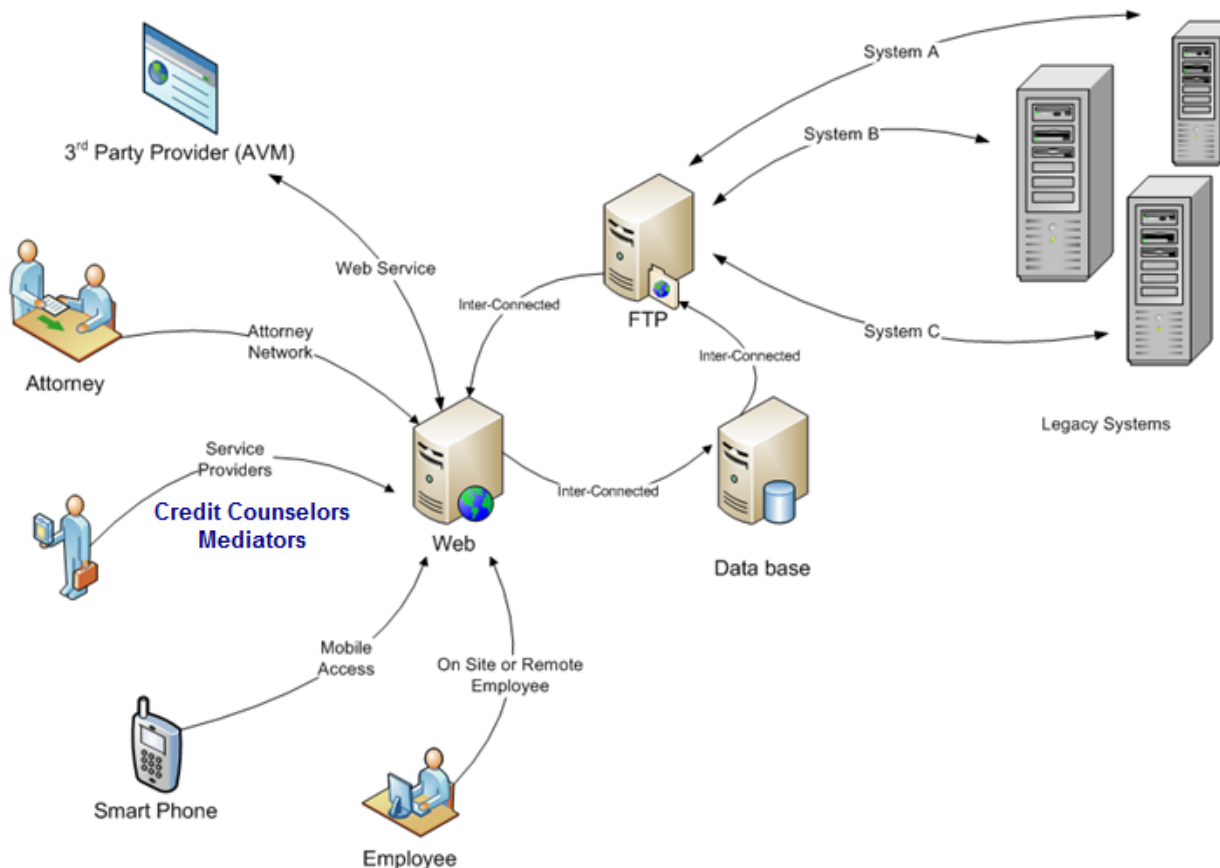
Mediation is designed to secure a more favorable outcome to Foreclosure (FCL)



Over the 4-5 month process, there are multiple interactions with consumer and servicer



Platform coordinates delivery of Data and Documents to Servicers and Partners



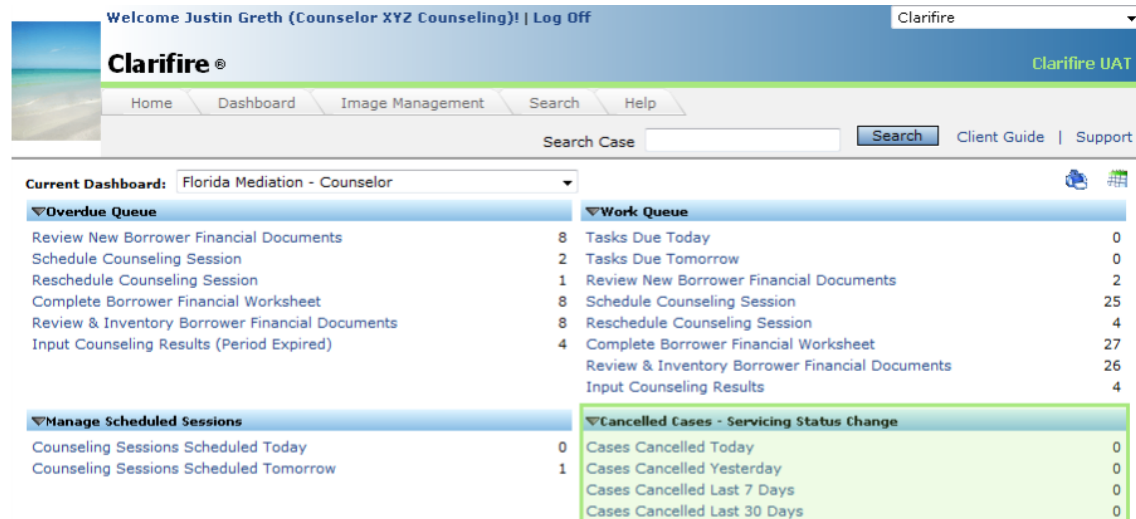


Extensive feature set, already trusted by servicers

- 📁 **Portal**, the landing page that serves as an information board, customized to need of user: Consumer, Counselor, Mediators, Servicer, Attorney Network, Vendor
- 📁 **Dashboards**, real-time view of account statuses and work queues
- 📁 **Action Administration**, a consistent look and feel to complete each action
- 📁 **Notes Communication**, integrated communication keeps all communication on the loan instead of email accounts
- 📁 **Contact Management**, ensures appropriate contact is tracked, including phone, mail, email and web interactions
- 📁 **Calculator**, a decision engine for gathering data and identifying optimal workout solutions based on systemic rules - can significantly improve the interaction of the counselor
- 📁 **Workflow**, can be standardized or customized based on need
- 📁 **Document generation and collection**, secure delivery, traceable, and auditable
- 📁 **Live Reporting** access directly from within application
- 📁 **Date Analytics**, leveraged to track actual results over time

Dashboard view of Mediation Workflow allows all parties to leverage single platform

- Counseling agencies can leverage workflow automation that facilitates housing process.
- Allows counseling agencies to interview borrower, collect documents and communicate effectively with customer.
- Entire process can be overseen and certified by Mediation Program Managers.



Welcome Justin Greth (Counselor XYZ Counseling)! | Log Off

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Current Dashboard: Florida Mediation - Counselor

▼Overdue Queue		▼Work Queue	
Review New Borrower Financial Documents	8	Tasks Due Today	0
Schedule Counseling Session	2	Tasks Due Tomorrow	0
Reschedule Counseling Session	1	Review New Borrower Financial Documents	2
Complete Borrower Financial Worksheet	8	Schedule Counseling Session	25
Review & Inventory Borrower Financial Documents	8	Reschedule Counseling Session	4
Input Counseling Results (Period Expired)	4	Complete Borrower Financial Worksheet	27
		Review & Inventory Borrower Financial Documents	26
		Input Counseling Results	4
▼Manage Scheduled Sessions		▼Cancelled Cases - Servicing Status Change	
Counseling Sessions Scheduled Today	0	Cases Cancelled Today	0
Counseling Sessions Scheduled Tomorrow	1	Cases Cancelled Yesterday	0
		Cases Cancelled Last 7 Days	0
		Cases Cancelled Last 30 Days	0

Collection and Review of Documents by Counseling Agents allows a trusted party to work with consumers

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Export Queue Return To Dashboard Return to Dashboard Queue

Action Detail : Review & Inventory Borrower Financial Documents Related Flow

Name: Review & Inventory Borrower Financial Documents
Description: Review images of financial documents submitted by the borrower in order to inventory the types of documents received and evaluate/capture details pertaining to their sufficiency. Edit

Case: 2358741258 - Case, Test(123412, 41234) Edit
Process: Florida Mediation

Status: Completed
Date Created: 11/13/2010 4:26:37 AM
Date Due: 12/13/2010
Date Completed: 11/15/2010 11:32:30 AM

Borrower First Name: Test
Borrower Last Name: Case
Borrower Primary Telephone: 456-456-4564
Circuit Number: 14th
Fannie Mae Loan Number: 2358741258
Law Firm: XYZ Law Firm
Property Address Line 1: 3904 W Morrison Ave
Property City: Tampa
Property State: FL
Property Zip Code: 33609
Servicer Loan Number: 123412

Assignment Reassignment History

Assigned To	Group Name	Completed Date	Status	Completed By	Actual Completed Date
Counselor XYZ Counseling	Counselor	11/15/2010	Completed	Justin Greth	11/15/2010

Action **CDC** Contacts Images KPI Notes Issues Shares View for this Action Only

CDC Title	Process/Action Name	Status
Borrower Financial Documents Inventory	Review & Inventory Borrower Financial Documents	Created

Borrower Financial Documents Inventory

BORROWER PROOF OF INCOME (Please reference detailed requirements based on borrower employment status below.)

Borrower CURRENTLY EMPLOYED **Employment Notes:**

Primary Source of Income (Required) *Employed Borrower*

PAY STUBS **Pay Stub Notes:**

Copies of two recent, consecutive pay stubs, not more than 90 days old at time of submission, indicating year-to-date earnings

FEDERAL INCOME TAX RETURN **Federal Income Tax Return Notes:**

Copy of most recent Federal Income Tax Return (All Forms) OR Signed IRS Form 4506-T if copy of tax return is unavailable

BANK STATEMENTS **Bank Statement Notes:**

Trailing two months bank statements (Consecutive, all pages)

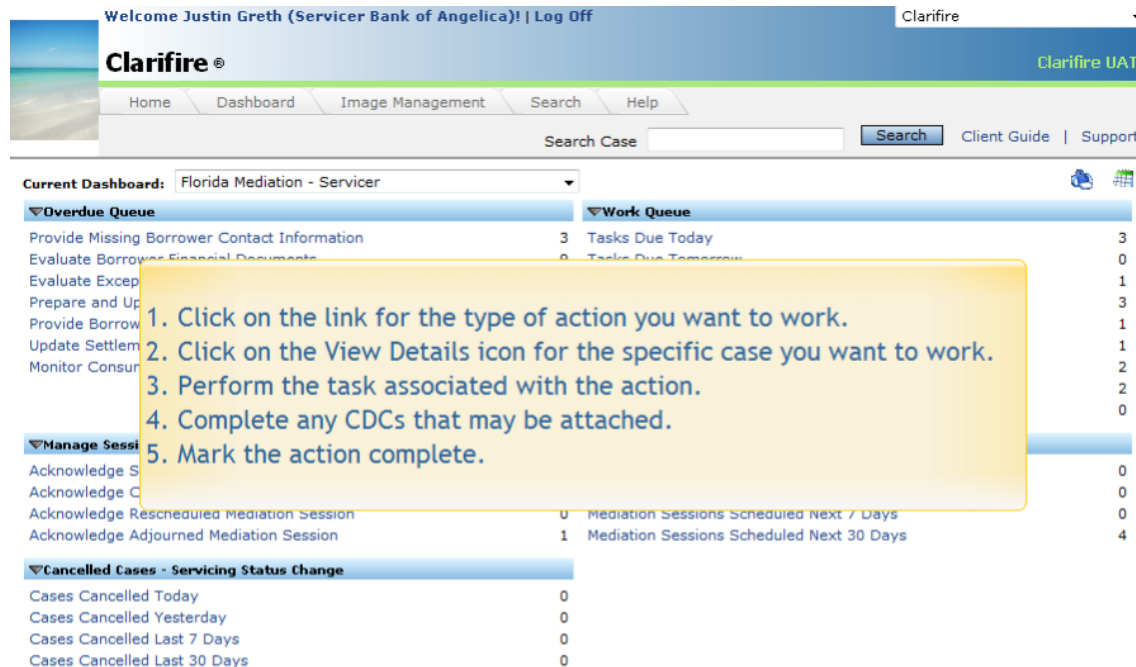
Other Earned Income (required if applicable)

OTHER EARNED INCOME **Other Earned Income Notes:**

Reliable third party documentation describing the nature of the income

Full Servicer Workflow is also built in, ensuring compliance with mediation program

- System is designed for all parties to leverage common data, documents and decisioning tools



Welcome Justin Greth (Servicer Bank of Angelica)! | Log Off

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Current Dashboard: Florida Mediation - Servicer

Overdue Queue	Count	Work Queue	Count
Provide Missing Borrower Contact Information	3	Tasks Due Today	3
Evaluate Borrower Financial Documents	0	Tasks Due Tomorrow	0
Evaluate Exception	1		1
Prepare and Upload Documents	3		3
Provide Borrower Information	1		1
Update Settlement	1		1
Monitor Consumer Complaints	2		2
	2		2
	0		0
Manage Sessions			
Acknowledge Scheduled Mediation Session	0	Mediation Sessions Scheduled Next 7 Days	0
Acknowledge Rescheduled Mediation Session	0	Mediation Sessions Scheduled Next 30 Days	0
Acknowledge Adjourned Mediation Session	1		4
Cancelled Cases - Servicing Status Change			
Cases Cancelled Today	0		
Cases Cancelled Yesterday	0		
Cases Cancelled Last 7 Days	0		
Cases Cancelled Last 30 Days	0		

1. Click on the link for the type of action you want to work.
2. Click on the View Details icon for the specific case you want to work.
3. Perform the task associated with the action.
4. Complete any CDCs that may be attached.
5. Mark the action complete.

Mediation Offers managed online, including retention and non-retention (short sale) offers

- Additional workflows can also be supported
- Integrations with other systems can extend functionality of system

Mediation Offer Details

Please indicate the borrower's determined eligibility for each type of mediation offer.

[Retention Offers](#)

Loan Modification:	Offer Detail - Loan Modification (Required):
<input type="radio"/> Eligible- Offer Prepared & Uploaded	<input type="text"/>
<input type="radio"/> Not Eligible - No Offer Prepared	<input type="text"/>
Forbearance Plan:	Offer Detail - Forbearance Plan (Required):
<input type="radio"/> Eligible- Offer Prepared & Uploaded	<input type="text"/>
<input type="radio"/> Not Eligible - No Offer Prepared	<input type="text"/>
Repayment Plan:	Offer Detail - Repayment Plan (Required):
<input type="radio"/> Eligible- Offer Prepared & Uploaded	<input type="text"/>
<input type="radio"/> Not Eligible - No Offer Prepared	<input type="text"/>

[Liquidation Offers](#)

Conditional Short Sale Agreement:	Offer Detail - Conditional Short Sale (Required):
<input type="radio"/> Eligible- Offer Prepared & Uploaded	<input type="text"/>
<input type="radio"/> Not Eligible - No Offer Prepared	<input type="text"/>
Conditional Deed in Lieu Agreement:	Offer Detail - Conditional Deed In Lieu (Required):
<input type="radio"/> Eligible- Offer Prepared & Uploaded	<input type="text"/>
<input type="radio"/> Not Eligible - No Offer Prepared	<input type="text"/>

The entire automated solution is supported by a full range of online Computer Based Training (CBT)

- Training provided for Program managers and Counselors
- Also supports Servicer training for established servicer workflows
- Mediation law firms (plaintiff counsels) have view of the status and workflow requirements
- Complete audit tracking available to ensure training requirements are met

Logged in as: ggraham@flsvideo.com [Help](#) | [Log Out](#)

Home MyTraining Transcript Catalog Resources Profile

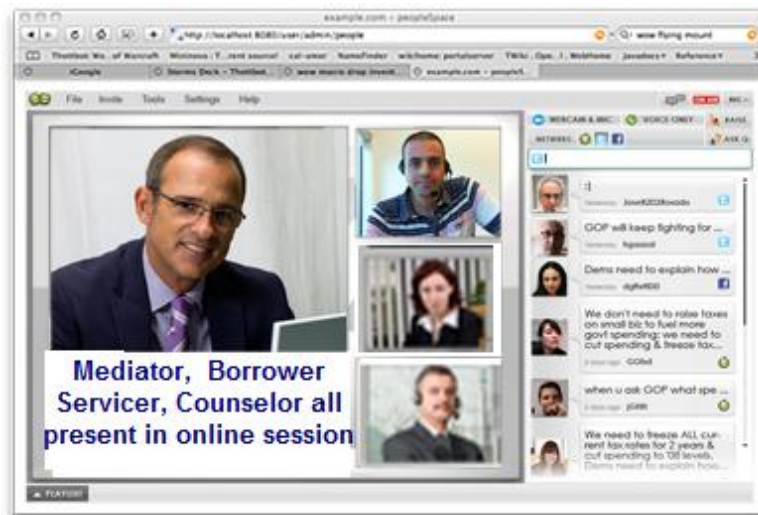
Below is the list of courses that you are enrolled in. To launch a lesson, click the Launch icon next to the lesson name. The lesson will appear in a popup window. If you click the Launch icon and nothing happens, you probably have a **popup-blocker** enabled that is not allowing the course to run. Click [here](#) to learn how to disable your popup blockers.

Instructor-Led Classes					
Name	Date / Time	Location	Details	Discuss	Meeting
No Current Instructor Led Class enrollments					

On-Line Courses					
Name	Status	Score	Details	Discuss	Launch
Clarifire Florida Mediation for Counselors					
Clarifire Florida Mediation for Counselors	PASS	75			
Clarifire Florida Mediation for Law Firms					
Clarifire Florida Mediation for Law Firms	incomplete	0			
Clarifire Florida Mediation for Program Manager Batch Printing					
Clarifire Florida Mediation for Program Manager Batch Printing	not attempted				
Clarifire Florida Mediation for Program Managers					
Clarifire Florida Mediation for Program Managers	incomplete	0			
Clarifire Florida Mediation for Servicers					
Clarifire Florida Mediation for Servicers	completed	0			

FLS has designed a Web Based Mediation Platform can be a low cost alternative to face to face meetings

- **Accessibility:** web-based, no download
- **Freedom:** break the confines of time-and-space
- **Economical:** not every meeting has to be face-to-face
- **Introduction:** get started on the mediation process immediately - explain and review progress
- **Communication:** video and text chat in synchronous or asynchronous modes
- **Phone Bridge:** supports non video users
- **Audit and Record:** can track attendance, duration and and record portions with permission



Open Mediation Network delivers significant value

- Mediation managers can offer to deliver a compliant end to end solution
- Solution delivers data, documents and decisions at each step of the process
- Web based education and consumer portal increases consumer opt in and pull through
- Credit counselors are able to scale their staff and better educate consumers
- Servicers can leverage outreach and counseling as a loss mitigation strategy
- Open Mediation Network is end to end solution that can be implemented “in part”, or ‘whole’