

FORECLOSURE MEDIATION

Fund 093-031

BUDGET HIGHLIGHTS

In 2014, pursuant to Illinois Supreme Court Rule 99.1, and with the assistance of the Community Preservation Clinic at the University of Illinois College of Law, the Champaign County Circuit Court established a mandatory residential foreclosure mediation program funded by a grant from the Illinois Attorney General's Office (Champaign County Circuit Court Administrative Order 2014-1). The primary grant funding expired at the end of May 2018. A smaller grant was used to provide payment to mediators through August 2018.

The sustainability plan submitted by the court as required by Rule 99.1 established a \$75 fee for each complaint filed to foreclose a residential real estate mortgage. Although the program was not designed to operate indefinitely, the court has submitted a request for authorization to increase the filing fee to \$100. This cost is borne by plaintiff lenders. Fees are maintained in a separate fund subject to disbursement on order of the Chief Judge of the Sixth Judicial Circuit. All program expenses are now paid from this fund.

The program operates under the direction of Judge Bohm. A temporary, part-time program coordinator manages program operations. The coordinator attends the mediation sessions held at the courthouse the second and fourth Tuesdays of each month, schedules all pre-mediation, status, and full mediation conferences, assigns mediators, and prepares and submits reports required by the Supreme Court to the Administrative Office of the Illinois Courts. The creation of a permanent coordinator position is not contemplated at this time.

FINANCIAL

Fund 093 Dept 031			2018 Actual	2019 Original	2019 Projected	2020 Budget
341	63	MTGE FORECLSR MEDIATN FEE	\$15,525	\$16,000	\$14,400	\$19,200
		FEES AND FINES	\$15,525	\$16,000	\$14,400	\$19,200
361	10	INVESTMENT INTEREST	\$703	\$0	\$800	\$500
		MISCELLANEOUS	\$703	\$0	\$800	\$500
REVENUE TOTALS			\$16,228	\$16,000	\$15,200	\$19,700
511	5	TEMP. SALARIES & WAGES	\$8,220	\$13,400	\$13,400	\$13,400
513	1	SOCIAL SECURITY-EMPLOYER	\$629	\$1,025	\$1,025	\$1,025
513	4	WORKERS' COMPENSATION INS	\$47	\$90	\$90	\$87
513	5	UNEMPLOYMENT INSURANCE	\$145	\$0	\$145	\$233
		PERSONNEL	\$9,041	\$14,515	\$14,660	\$14,745
522	1	STATIONERY & PRINTING	\$0	\$0	\$38	\$0
522	6	POSTAGE, UPS, FED EXPRESS	\$233	\$300	\$200	\$200
522	44	EQUIPMENT LESS THAN \$5000	\$1,263	\$0	\$0	\$0

		COMMODITIES	\$1,496	\$300	\$238	\$200
533	3	ATTORNEY/LEGAL SERVICES	\$4,400	\$10,000	\$12,000	\$10,000
533	29	COMPUTER/INF TCH SERVICES	\$790	\$0	\$0	\$500
533	33	TELEPHONE SERVICE	\$0	\$0	\$150	\$150
533	42	EQUIPMENT MAINTENANCE	\$382	\$0	\$0	\$0
		SERVICES	\$5,572	\$10,000	\$12,150	\$10,650
		EXPENDITURE TOTALS	\$16,109	\$24,815	\$27,048	\$25,595

FUND BALANCE

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
\$46,215	\$34,367	\$28,472

The minimum fund balance goal is equal to one year of revenues. The decrease in fund balance in FY2019 is the result of drawing on reserves that were retained for the purpose of operating the program in future fiscal years.

ALIGNMENT to STRATEGIC PLAN

County Board Goal 1 – Champaign County is committed to being a high performing, open, and transparent local government organization

- The self-funded Foreclosure Mediation Program reduces the number foreclosure cases that must be heard in court.

County Board Goal 3 – Champaign County promotes a safe, just, and healthy community

- The Foreclosure Mediation Program is designed to help keep families in homes and prevent vacant and abandoned houses in Champaign County from negatively affecting property values and destabilizing communities.

DESCRIPTION

The foreclosure mediation program helps to reduce the burden of expenses sustained by lenders, borrowers, and taxpayers resulting from residential mortgage foreclosures. It is designed to aid the administration of justice by reducing the number of court cases. Furthermore, the program is aimed at keeping families in homes, if possible, and preventing vacant and abandoned houses in Champaign County that negatively affect property values and destabilize neighborhoods.

Once a complaint is filed to foreclose a residential real estate mortgage, the case becomes subject to mediation. The additional filing fee is collected from lenders to defray the costs associated with operating the program. The case is then added to a schedule of conferences during which defendant borrowers and lenders' representatives engage in the mediation process. No additional action to pursue a foreclosure can occur during the mediation timeline (which begins on the date summons is issued and ends on the date the mediator files a final report). The defendant's obligation to answer the complaint and the court case are stayed for this period.

OBJECTIVES

1. To reduce the burden of expenses sustained by lenders, borrowers, and taxpayers resulting from residential mortgage foreclosures.
2. To aid the administration of justice by reducing the number of court cases.
3. To keep families in homes when possible and prevent vacant houses from negatively affecting property values and destabilizing neighborhoods in Champaign County.

PERFORMANCE INDICATORS

Indicator	FY2018 Actual	FY2019 Projected	FY2020 Budgeted
Number of new residential mortgage foreclosure filings	214	194	192
Number of cases entering the mediation program	61	58	57
Total expenditures from fees collected	\$16,105	\$27,048	\$25,162