



A Guide to Foreclosure Mediation for the Homeowner

Mediation is a process in which a neutral third person, the mediator, encourages and facilitates the resolution of a dispute between homeowner and lender. It is an informal and non-adversarial process which has the objective of helping the homeowner and lender reach a mutually acceptable and voluntary agreement. In mediation, decision making and authority rests entirely with the homeowner and lender. The mediator acts as a facilitator, guiding the parties in identifying issues, engaging in joint problem-solving, and exploring creative settlement alternatives. Although the process is voluntary and nonbinding, it results in a strikingly high settlement rate. Parties are more satisfied with a mediated resolution, rather than the foreclosure route, because they create the solution themselves. In recent years, the use of mediation has increased greatly in the private and public sectors. It is used for legal and business disputes, government matters, environmental problems, community disagreements and divorce and custody cases, as well as for mortgage foreclosures.

St. Louis County and the City of St. Louis have selected U.S. Arbitration & Mediation Midwest Inc. (USA&M) as the Mediation Coordinator to provide a skilled panel of mediators to assist the parties in reaching resolution pursuant to St. Louis County Revised Ordinance Chapter 727 and Ordinance No. 69428 of the City of St. Louis. USA&M's mediators have mediated mortgage foreclosure cases in the St. Louis metropolitan area. These experienced mediators look forward to assisting homeowners and mortgage lenders/servicers resolve their disputes.

Confidential Meetings

At the mediation session, the parties must be prepared to discuss the situation. Such discussions will include the sharing of relevant documents. After an opening session where the parties meet each other, each party returns to their own room and the mediation continues with a series of confidential meetings. The mediator meets with each side privately to clarify their respective positions and interests. If there is information that you or your housing counselor or attorney want to keep confidential, tell the mediator and he/she will not disclose that information to the other side. During these confidential meetings, many clients feel comfortable enough to discuss the case with the mediator knowing that any request for confidentiality will be honored.

Mediation Conclusion

All parties may be brought back together to review the status of negotiations and/or execute documents necessary to reach an agreement. Your mediator will provide you with greater details at the beginning of the mediation.