



## News Release

FROM: Chambers of the Chief Judge  
19th Judicial Circuit  
Lake County  
Waukegan, Illinois 60085-4359

Date of Release: 8/27/2015  
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FOR IMMEDIATE RELEASE  
Waukegan, Illinois

### *MEDIATION PROGRAM SAVES 19<sup>TH</sup> JUDICIAL CIRCUIT HOMES FROM FORECLOSURE: STUDY FINDS AG-FUNDED PROGRAMS ARE EFFECTIVE*

In 2014, Lake County homeowners were subject to over 2,300 foreclosure filings. While the consequences of the mortgage crisis and recession still loom large, a new program is providing homeowners in the area the opportunity to work with lenders to save their homes.

Established in December 2013, the Lake County Residential Real Estate Mortgage Foreclosure Mediation Program served 155 homeowners in its first year. The program, administered by Chicago-based Resolution Systems Institute (“RSI”) through funding from the Office of the Illinois Attorney General, is based in the Waukegan Alternative Dispute Resolution Center, located at 415 W. Washington Street. It was established to assist homeowners struggling to navigate the court system with a fair and efficient process for resolving foreclosure cases outside of the courtroom. Among other goals, the Nineteenth Judicial Circuit Court of Lake County and RSI sought to formalize interactions between homeowners and lenders to improve the likelihood of homeowners getting accurate information about their options and providing lenders with appropriate documentation.

RSI recently completed an evaluation of the Lake County program, along with the five other programs created under the Attorney General’s funding, and found that the mediation programs were meeting this goal. In Lake County, the homeowners work with housing counseling agencies, including Affordable Housing Corporation of Lake County and Consumer Credit Counseling Services of Northern Illinois, to gather and decipher the paperwork required to apply for a modified loan that they can afford. Working with knowledgeable counselors helps to facilitate the exchange of information between the parties. Once the parties have submitted the paperwork, mediation sessions afford homeowners an opportunity to communicate with their lender and the lender’s lawyer to decide what they will do.

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In the first year, 39 homeowners were able to keep their homes. An additional seven people worked out agreements to voluntarily relinquish their homes and pursue other options. Homeowners participating in the Lake County mediation program avoided foreclosure at a higher rate (69%) than homeowners in the five other Attorney General-funded programs. Those who completed the program reported overall satisfaction with the process, describing the process as “very open,” and remarked that the process was, “Very helpful and [provided] good information. Took the pain out of dealing with the issue.”

“As a court, we want to be sure that homeowners have a fair opportunity to save their homes,” said Lake County Judge Mitchell Hoffman. “We don’t want to unduly delay the litigation process, but we do want to be sure that homeowners have the chance to fully explore alternatives to foreclosure with their lender.”

As the program moves forward, it will seek to foster greater participation and serve even more homeowners throughout Lake County. The Court has developed changes to the Rules, currently pending final approval, to (among other changes) allow parties more time to complete the various steps of the process and reduce the barriers to entering the program. Judges have also begun referring more homeowners to the program, when appropriate, to allow Lake County homeowners who had been ineligible when their case was first filed or who had missed a deadline to avail themselves of the options and tools the mediation process offers.

Homeowners interested in learning more about or entering the Lake County mediation program should reach out to Program Coordinator Olga Kordonskaya, at (847) 377-3552 or [okordonskaya@aboutrsi.org](mailto:okordonskaya@aboutrsi.org).

- To see the complete evaluation results for the 19<sup>th</sup> Circuit, please visit <http://www.aboutrsi.org/pfimages/SixProgramsSixModels-19thCircuit.pdf>.
- This report is part of the Six Programs, Six Models study evaluating the six programs created through the Office of the Illinois Attorney General, which can be accessed here: <http://www.aboutrsi.org/pfimages/SixProgramsSixModels.pdf>.
- An Executive Summary of the Six Programs, Six Models is available at <http://www.aboutrsi.org/pfimages/SixProgramsSixModelsExecutiveSummary.pdf>.

### **Background on Grant**

In May of 2013, the Office of Illinois Attorney General Lisa M. Madigan awarded multi-year grants totaling \$5 million to three Illinois non-profits to foster foreclosure mediation. In the northern region of the state, Resolution Systems Institute worked with courts in Kane County (16<sup>th</sup> Judicial Circuit), Lake County (19<sup>th</sup> Judicial Circuit), and Winnebago and Boone Counties (17<sup>th</sup> Judicial Circuit) to develop the three programs that RSI now administers. RSI designed and implemented the statewide cloud-based case management, monitoring and evaluation system, which made this evaluation possible. RSI is also responsible for training mediators for all the programs in the state and is working with Northern Illinois University School of Law, which has established a legal clinic under the grant to assist homeowners facing foreclosure. Dispute Resolution Institute, a Carbondale-based mediation nonprofit, is administering payments for all the mediators participating in the grant-funded programs. More information on RSI’s foreclosure programs can be found on RSI’s website, <http://www.aboutrsi.org>.

## **Background on Resolution Systems Institute**

[Resolution Systems Institute](#) (RSI) is a non-profit organization that was founded in 1995. RSI's mission is to strengthen justice by enhancing court alternative dispute resolution. Founded on the premise that collecting and disseminating reliable information about court ADR can raise the quality of court ADR, RSI has assisted state and federal courts with the design, administration, monitoring and evaluation of mediation programs, as well as training ADR neutrals. Courts and individuals across the country call on RSI for advice and make use of [CourtADR.org](#), RSI's Court ADR Resource Center.

With a multi-year grant from the Office of Illinois Attorney General Lisa M. Madigan that supported this evaluation and the programs it studied, RSI has fully implemented the advice the organization has developed over the course of two decades: Seek stakeholder input. Set goals. Design clear systems. Train skilled neutrals. Collect uniform data. Share information with stakeholders. Assess programs with an expert eye. Never stop working to improve court ADR programs.

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[www.19thcircuitcourt.state.il.us](http://www.19thcircuitcourt.state.il.us)

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