



**Fiscal Year 2014
1Q (July 1, 2013 – September 30, 2013)**

This report details distinct case outcomes for elections received and mediations held during the first quarter of Fiscal Year (FY) 2014 (July 1, 2013 – September 30, 2013). During this reporting period, homeowners were required to submit an Election Form to indicate their interest in participating in foreclosure mediation within 30 days of receiving a Notice of Default (NOD).

The Foreclosure Mediation Program (FMP) was created by the Nevada Legislature in 2009 to allow homeowners (grantors) of owner-occupied residential property to seek foreclosure mediation after the filing of a NOD by a beneficiary (lender), or a trustee representative (trustee) of the beneficiary.

The metrics in this report were obtained from individual Mediation Statements received by the FMP from July 1, 2013 thru September 30, 2013 for mediations held during the first quarter of FY 2014 and entered into the FMP Case Management System through December 31, 2013.

Elections

The FMP received 403 requests for mediation (Elections) between July 1, 2013 and September 30, 2013. There were 117 elections found ineligible for various reasons, such as the following: non-owner occupied, vacant land, income property, commercial property, or out-of-date NOD. A total of 50 homeowners indicated on the Election Form the decision to waive mediation and proceed to foreclosure.

Chart 1

ELECTIONS		
403 ¹		
MEDIATION SCHEDULED		
Mediation Scheduled ²	Mediation Not Scheduled ³	Ineligible ⁴
671	85	117

¹ Eligible and ineligible elections received from grantors (homeowners).

² The FMP scheduled an additional 385 mediations from Elections received in FY 2013.

³ Mediations on hold, grantor requests to withdraw, active bankruptcy, and beneficiary rescission of NOD.

⁴ Non-owner occupied, vacant land, out-of-date NOD, or no current NOD. Not accepted for mediation by the FMP.

Mediation Results

FMP Mediators are required to utilize the Mediation Statement form to report outcomes to the FMP within 10 days of completing a mediation. The mediation must be completed within 90 days of acceptance of the case by the mediator and the entire mediation must be completed 135 days from acceptance by the FMP following the filing of an NOD.

The Mediation Statement details beneficiary compliance, homeowner participation, mediator recommendations for sanctions, and other metrics. In addition, mediators memorialize home retention or relinquishment agreements, if an agreement is reached by the parties to avoid foreclosure.

Mediation Statements

A total of 800 Mediation Statements were received during the reporting period. Mediators reported 663 mediations were held and 137 mediations were not held. In 26 mediations not held, the beneficiary rescinded the Notice of Default (NOD) resulting in a cancelled mediation. The FMP received requests from 56 homeowners asking to withdraw from foreclosure mediation prior to the start of a scheduled mediation, including 3 homeowners who indicated they had filed for bankruptcy.

No Agreement

As shown in the table below, the grantor and the beneficiary failed to reach an agreement to avoid foreclosure in 481 mediations. In 371 of those mediations, the grantor and beneficiary failed to agree on an alternative to foreclosure. In 110 mediations, an agreement was not reached because the beneficiary failed to appear, had no authority to negotiate, failed to negotiate in good faith, or did not bring all the documentation required by NRS 107.086 and FMP Rules.

Agreement Reached

Homeowners and beneficiaries (lenders) reached 182 agreements in mediation to retain the property (110), or relinquish the property (67). The agreement disposition is unknown for 5 cases reported during this period. During this reporting period, 60 percent of the agreements reached in mediation resulted in the homeowner retaining the property, while 37 percent of agreements resulted in the homeowner relinquishing the property. In 3 percent of mediations, the agreement outcome was not indicated by the mediator.

MEDIATIONS HELD			
663			
MEDIATION OUTCOMES			
No Agreement		Agreement Reached	
481 (73%)		182 (27%)	
110¹ (23%)	371² (77%)	AGREEMENTS	
		Relinquish Property³	Retain Property⁴
		67 (37%)	110 (60%)
			5 (3%)

¹ In 110 mediations resulting in No Agreement, the beneficiary (Lender) did not appear, had no authority, failed to participate in good faith, or did not bring all documentation required.

² In 371 cases, the Grantor (Homeowner) and Beneficiary (Lender) were unable to reach an agreement to avoid foreclosure.

³ Homeowner (Grantor) agreed to relinquish the property as an outcome of mediation.

⁴ Homeowner (Grantor) agreed to remain in the property as an outcome of mediation.

⁵ Mediator Statement did not indicate an agreement outcome.

Home Retention

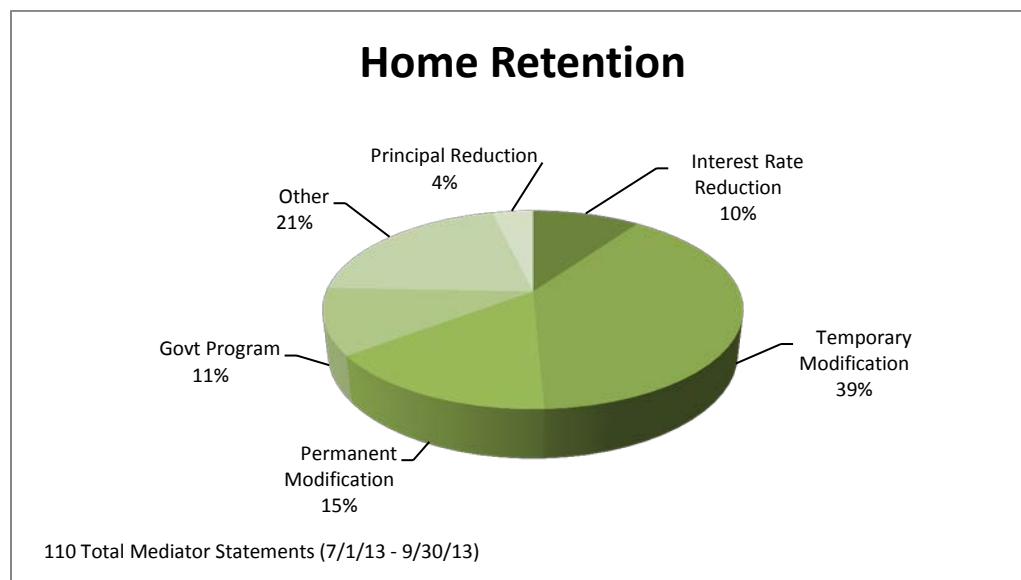
A total of 110 mediation agreements resulted in the homeowner (grantor) and the beneficiary (lender) finding an alternative to foreclosure, which allowed the homeowner to retain the property.

Temporary loan modifications totaled 39 percent of home retention agreements, permanent loan modifications resulted in 15 percent of agreements, while interest rate reductions totaled 10 percent.

Government programs totaled 11 percent of the mediations held reaching an agreement. Principal reductions were granted in 4 percent of the agreements.

The remaining 21 percent of home retention agreements consisted of various results including: amortization extended, refinance, principal forbearance, extensions, repayment plans, reinstatement of the loan, and interest rate modification.

Home retention agreements often consist of mixed outcomes, which are not reflected in this report.

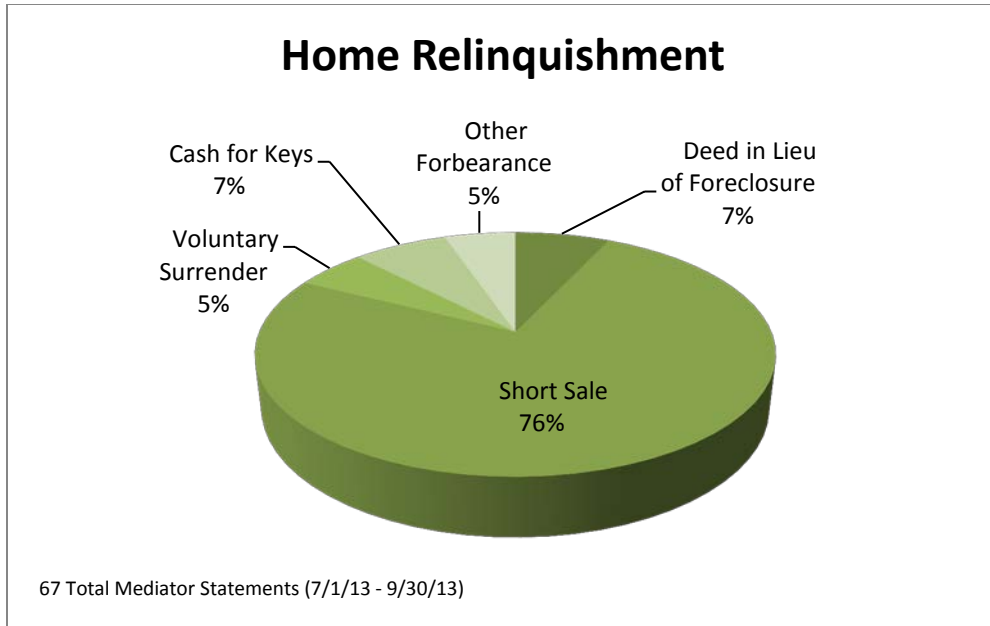


Home Relinquishment

A total of 67 agreements resulted in an agreement to relinquish the property and avoid foreclosure. Short sale agreements made up 76 percent of home relinquishment agreements, while 5 percent of agreements to relinquish the home resulted in other forbearance programs.

Homeowners agreed to surrender the property voluntarily in 5 percent of agreements, deed in lieu of foreclosure made up 7 percent of agreements, and cash for keys programs made up 7 percent of agreements.

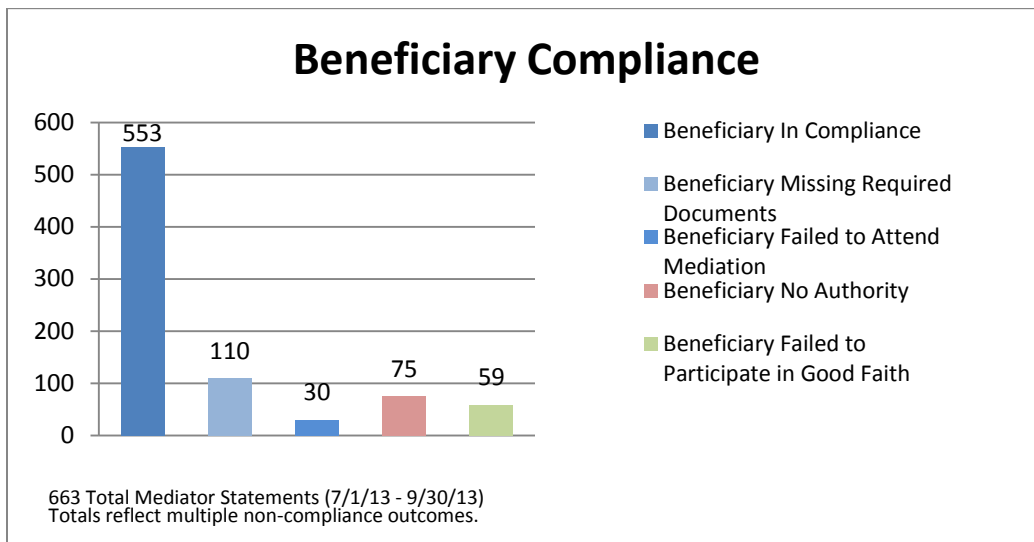
Home relinquishment agreements often consist of mixed outcomes, which are not reflected in this report.



Beneficiary Compliance

NRS 107.086 and FMP Rules require beneficiaries to comply with four requirements during mediation. Beneficiaries must attend the mediation; participate at mediation in good faith; come to mediation with the authority to negotiate retention and relinquishment options; and, bring required documents, including an original or certified copy of the Deed of Trust, mortgage note, each endorsement and/or assignment, Deed of Trust and a current Appraisal or Broker’s Price Opinion.

Failure to comply may result in sanctions by a District Court judge, and the inability of the lender to complete the foreclosure. During this quarter, mediators reported 553 beneficiaries participating in mediation complied with NRS 107.086 and FMP Rules.



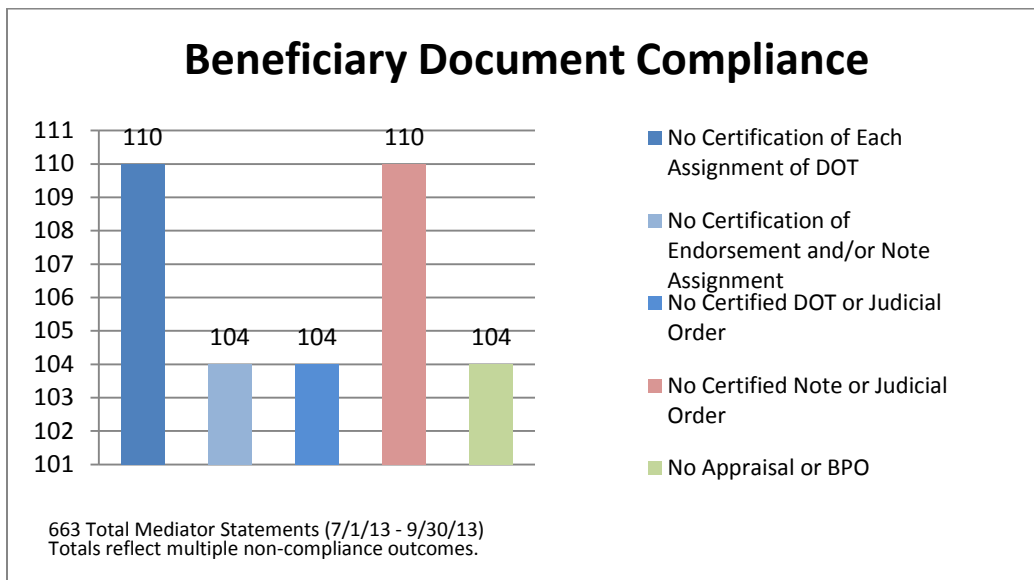
In 110 mediations resulting in no agreement and beneficiary non-compliance, mediators reported beneficiaries failed to comply with the requirement to provide mediation documents, as required by NRS 107.086 and FMP Rules, which resulted in no agreement between the homeowner and the beneficiary.

Mediators reported in 59 of those mediations that beneficiaries failed to participate in good faith, lacked authority to negotiate in 75 of the mediations, and failed to attend 30 scheduled mediations. In some cases, mediators noted multiple non-compliance outcomes during the mediation.

Beneficiaries failed to provide the original or certified copy of the Deed of Trust in 104 mediations and failed to provide the original or certified copy of the mortgage note in 110 mediations held during fiscal year.

Mediators reported beneficiaries failed to provide the certification of each assignment of the Deed of Trust in 110 mediations held and failed to provide certification of each endorsement and/or assignment of the mortgage note in 104 mediations held.

Beneficiaries failed to provide an Appraisal and/or Brokers Price Opinion (BPO) in 104 mediations held during the quarter.



Homeowner Compliance

Homeowners must attend mediation to comply with NRS 107.086 and FMP Rules. During the reporting period, a total of 44 homeowners failed to attend a scheduled mediation without notifying the FMP.

Under NRS 107.086, the failure of a homeowner to attend a scheduled mediation results in the issuance of a Certificate by the FMP to allow the beneficiary to complete the foreclosure.

Certificates of Foreclosure

During the first quarter of FY 2014, the FMP issued 4,810 Certificates allowing a beneficiary to proceed to foreclosure.

Ineligible Properties totaled 85 percent of Certificates issued to beneficiaries during the fiscal year, consisting of non-owner occupied residential properties. In 9 percent of the Certificate requests represented, the trustee indicated the homeowner and the beneficiary failed to reach an agreement (**No Agreement**) at mediation.

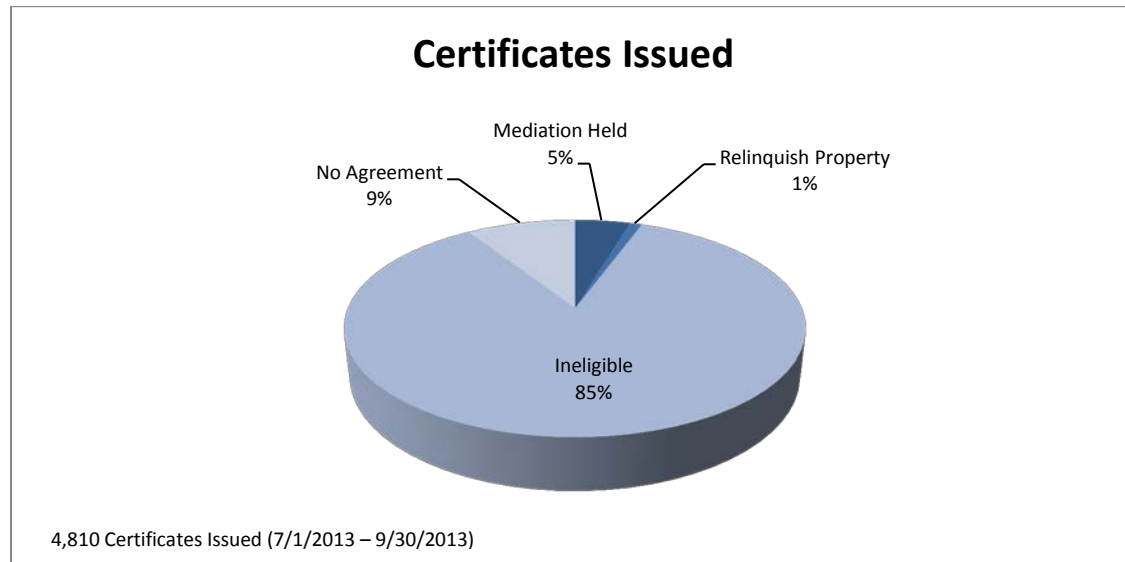
CERTIFICATES ISSUED					
4,810					
DISTINCT TRUSTEE AFFIDAVIT REQUEST OUTCOMES ¹					
Mediation Not Held	Mediation Held/ No Agreement	Agreement to Relinquish Property ²	Court Ordered	Other ³	Ineligible ⁴
27	243	55	23	38	4,522

¹ Trustee Affidavit Request Outcomes do not necessarily reflect results of mediations held 7/1/13 – 9/30/13 (see Chart 1).

² Grantor (Homeowner) agreed to relinquish the property during mediation.

³ Certificate Reissuance, Grantor Waiver, Out of Date NOD.

⁴ Residence Non-Owner Occupied or Not Eligible for Mediation.



The remainder of the requested Certificates was issued for other various reasons. For example, a trustee representing a beneficiary could make a Certificate request for any of the following reasons:

- **Mediation Held** - A mediation was held and the homeowner later agreed to relinquish the property;
- **Mediation Not Held** - A mediation was not held because the homeowner failed to attend the mediation or requested to withdraw from mediation;

- **Court Ordered** - A court order required a Certificate to be issued;
- **Relinquish Property** – The grantor(s) agreed to voluntarily relinquish the property;
- **Other** - The homeowner waived mediation, out of date notices of default (NOD) required a Certificate to be issued, or the lender requested a Certificate reissuance.

This report has not been audited and is subject to revision by the Quality Assurance Manager.

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