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**Trustee Servicing Solutions**

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December 9, 2010

DEC 10 2010

TRACIE K. LINDEMAN  
CLERK OF SUPREME COURT  
BY *[Signature]*  
CHIEF DEPUTY CLERK

TRACIE LINDEMAN  
CLERK OF THE SUPREME COURT  
201 S. Carson Street  
Carson City, NV 89701

Re: Rule changes to the current Foreclosure Mediation Program

*ADKT 0435*

I was in attendance at the public hearing and am submitting my comments for review.

At the hearing, the Program Director Verise Campbell testified that approximately over 6,000 Notice of Defaults are recorded monthly and only approximately 4,000 applied for NV mediation. This means that approximately 4% of homeowners are electing mediation.

The bigger problem with this program that was not addressed, is that foreclosure proceedings cannot move forward without the Certificate from the Nevada Mediators office regardless if the mediation failed, if a borrower fails to meet the requirements, or if the borrower did not elect mediation. Over 90% of these foreclosures are stalled due to the delay in obtaining the Certificate to proceed.

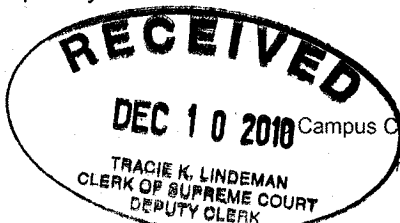
On November 6, 2010, a meeting was held in at the Red Rock Casino Hotel, which addressed the program and was open to the public. Various Trustees were in attendance and the common theme was the lack of Certificates in order to proceed with foreclosure. Our office has Certificates that are well over a one year delay in obtaining. There were quite a few Trustee's who had over 1,000 Certificates pending and questioned the delay. At this meeting, Ms. Campbell stated that she was unaware of the delays. The question was posed as to how many in attendance were waiting on a backlog of Certificates and the majority of Trustee's in attendance raised their hand.

The question was asked as to the specifics of how the Certificates were processed and we were advised that they were processed in date order. Again, we had Certificates that we have been waiting for over 11 months.

After the conclusion of the meeting, I specifically addressed the backlog with the Sandra Reed-Bottino, Program Supervisor and she stated that she was overwhelmed with the program. I asked how many on staff that are processing Certificates, and I was told that there are 2 permanent employees, one of which only works on a specific Trustee's Certificates and 1 temporary employee. I questioned why they did not hire more people and the answer was that they anticipate having this the Certificate process in their system program by the end of the first quarter, therefore, they didn't want to lay anyone off. I questioned the backlog again and was told they are doing the best they can. I again, asked how they were processed and in what order and was told that they are processed in date order and questioned the backlog along with several others.

Our office does not receive Certificates on a daily basis. They come in bulk and at times its months before we get any. We are adhering to their requests by submitting any outstanding Certificates via an excel spreadsheet and are at the mercy of the Mediators office to process our requests.

The average timeframe to foreclose in NV has now doubled, if not tripled which is not including the current delinquency at the time of foreclosure.



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*10-32324*

I propose that the current program should be amended as follows:

1. If the borrower does **NOT** elect to mediate then the Trustee would record an Affidavit or Declaration stating no response from the borrower and record the attachment with their Notice of Default. This would eliminate the backlog with the Mediators Office and allow them to truly focus on those that wish to mediate and what this program originally was created for.
2. If the argument is that the Certificate should still be processed by the Mediator's office, then a time requirement should be imposed of which the Certificate **must** return by the Mediator's office from the date requested. Preferably, no more than 30 days.

We continuously take calls from homeowners who have abandoned their properties or not longer wish to keep their property. However, they have maintained homeowners insurance as they understand that they are still liable until the foreclosure sale is held. Homeowners are questioning the delay, as they want to put the foreclosure behind them.

**Rule 5(7):** This amended rule states that in order to cancel a mediation," the lender must obtain a written agreement of the grantors or persons who hold title of record to stop the mediation from proceeding". This will result in a lot of mediations that are scheduled to be cancelled and waste of everyone's time. If the account is brought current then it would automatically be reinstated and the foreclosure action cancelled.

When a Rescission of the Notice of Default is recorded, then the foreclosure action is cancelled, which means that there would be no need for a mediation hearing. Obtaining the signature of the grantors or persons who hold title can be time consuming and in some instances may not be viable. This will only result in a lot of cancelled mediations, whereby, those that truly should be mediated are being delayed.

**Rule 14:** If a borrower fails to comply with the Mediator's Statement, then the process to obtain a Certificate should be shorten and the Mediation program should then have a set timeframe of which the Certificate should be issued. Preferably within 14 days. Currently, the Certificate goes into production line of processing and again can take a long period of time.

Thank you in advance for your consideration and time in reviewing. If you should have any further questions, you welcome to contact me at (951) 268-3388.

Sincerely,

  
Cathe Cole-Sherburn  
Senior Vice President