

FILED

JUN 16 2009

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

Tracie K. Lindeman
Clerk of the Supreme Court
201 South Carson Street
Carson City, Nevada 89701

June 15, 2007

Re: Foreclosure Mediation

To the Justices of the Supreme Court

ADKT 435

I humbly present these comments regarding the proposed foreclosure mediation program. First, my background. I am a licensed CPA and Real Estate Broker and have been in practice some 35 years. I have specialized in real estate matters most of that time.

The current state of affairs is unacceptable. Lenders lose money, borrowers lose their home AND they are then taken out of the market as a potential home buyer for several years until their credit is restored. Finally, innocent home owners who are making their payments see their home values plummet due to bank fire sales of the homes they repossess.

Here is an example of a case I was working on. Borrower in their home for many years, owed \$338,000. All they needed was a \$700 per month decrease in their monthly payment due to loss of job and medical problems. This is \$8,400 per year. The lender foreclosed last Wednesday and they opening bid was \$235,000 and no one bid! This means the lender was willing to lose \$103,000 which equates to 12 ¼ years of lower payments. Because no one bid, they will lose even more after listing it and selling.

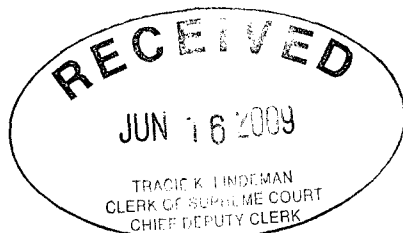
After reviewing the draft, I offer the following comments:

1. The Request for Mediation form and any other forms such as the Housing Affordability Worksheet must be made readily available at such places at banks, mortgage companies, city and county offices, public library, etc.
2. It is unclear under section 5 (d) (2) and rule 11 as to what exactly the impact of a recommendation of the mediator is. Does the Administrator have final word and does the Administrator have authority to modify the deed of trust against the will of the beneficiary? What type of sanctions can the mediator recommend? If a beneficiary does not appear, the sanction should be a forced modification of the note.
3. Rule 12 (b) If there is no agreement, the mediator should make a recommendation to the Administrator.
4. A more defined method of notification to the Foreclosure Company of and agreement needs to be defined.
5. If possible, this process should start prior to a notice of foreclosure is filed, as this will save filing fees (usually over \$3,000). Once a borrower has attempted to mediate directly with the lender and subsequently becomes delinquent, the beneficiary should initiate to mediation process.

I thank you for the opportunity to present these comments. I would also like to know the process for applying to become a mediator. I feel my background and experience make me an ideal candidate.

Very truly yours

Terry B. Hoffman
Terry B. Hoffman



09-31779