

April 10, 2017

Chairman Tick Segerblom
Members of the Senate Judiciary Committee
401 S. Carson Street
Carson City, NV 89701-4747

Re: United Trustees Association's Testimony on SB 490

Dear Chairman Segerblom and members of the Senate Judiciary Committee,

I am writing to you on behalf of the United Trustees Association ("UTA"), a professional association comprised of those acting as trustees under real property deeds of trust, including trustees, attorneys and loan servicing professionals from title companies, financial institutions, law firms and independent companies as well as allied and support organizations such as posting & publishing companies and computer service firms. As our organization is comprised of trustees, we see ourselves as neutral parties representing the interests of both beneficiaries to deeds of trusts as well as borrowers in the foreclosure process. Thus, we take no position as to whether Nevada should or should not have a foreclosure mediation program.

The current and soon to sunset foreclosure mediation program was intended to assist homeowners as they went through the foreclosure process. At first, the program was vital because in 2010 1 in 11 homes in the state were facing foreclosure. In 2011 that number dropped to 1 in 16 homes. Now 1 in 1070 homes faces foreclosure.¹ These statistics strongly suggest that the situation which led to the creation of the Foreclosure Mediation Program is no longer present.

Indeed, recent statistics from the Greater Las Vegas Association of Realtors demonstrates that the housing market is so robust that the median price of a home is up 100% from 2012, and

¹ Clark County Assessor's Office; Applied Analysis; and Sales Traq Foreclosure Sales Chart, hereby attached as Exhibit 1.

we are no longer in a crisis. The current median price for a home in Southern Nevada In January 2017 was \$238,000.00.² In January 2012, the median price of a home was \$121,000.00.³

In 2015, when this program was phased out, the Supreme Court, testifying before the budget committees provided us with some interesting data: in 2014-15, only 1% (or 63) of 6,120 of the homeowners served with a foreclosure notice entered into a successful loan modification to keep the property.⁴ With the program costing taxpayers \$1,000,000.00 per year, each mediation that led to a loan modification or home retention cost taxpayers approximately \$16,000.00.⁵ This year, we also expect about 6,000 foreclosures based on the Supreme Court projections, and as expressed by Senator Becky Harris in her article in the Nevada Lawyer.⁶

Fortunately, the Homeowners' Bill of Rights ensures that homeowners' requests for loan modifications are considered and evaluated prior to the execution of the foreclosure.⁷ Therefore, current Nevada law takes into account the very protections SB 490 seeks to address.

As stated before, UTA is neutral in respect as to whether we should have a foreclosure mediation program. However, if the Legislature were to resurrect the foreclosure mediation program, we would suggest that it fashion a program that is less adversarial and streamlined to address the needs of both homeowners and lenders. To achieve this end, we recommend amending SB 490 to include:

- 1) Eliminating the rigid document requirements that currently exist in the Foreclosure Mediation program and which SB 490 preserves;
- 2) Allowing for telephonic mediations rather than mandatory face-to-face mediations in order to speed up the time and reduce the cost to complete mediations;
- 3) Having the program run entirely through an executive branch agency, with judicial review pursuant to the Administrative Procedures Act; and
- 4) Reducing costs to both the homeowner and the lender.

² See <http://www.lasvegasrealtor.com/southern-nevada-home-prices-rise-to-start-2017-glvar-housing-statistics-for-january-2017/>.

³ See <http://www.lasvegasrealtor.com/wp-content/uploads/2017/02/January-2017-GLVAR-Housing-Statistics.pdf>, a true copy and correct copy of these statistics is attached to this testimony as Exhibit 2.

⁴ See FMP Statistics presented to the Judicial Branch Budget Hearing on Wednesday, March 11, 2016, a true and correct copy of which is attached here as Exhibit 3.

⁵ *Id.*

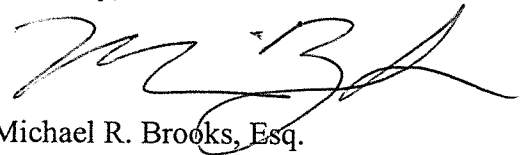
⁶ See http://www.nvbar.org/wp-content/uploads/NevadaLawyer_June2016_FutureofForeclosureMediation.pdf.

⁷ See Nev. Rev. Stat. 107.530.

The UTA offers the example of the United States Bankruptcy Court for the District for Nevada, which conducts a foreclosure mediation program that allows for telephonic mediations without the rigid document requirements or face-to-face mediations. It is our view that the bankruptcy program is just as effective as the current mediation program at significantly less cost.

The eight years that the Foreclosure Mediation Program have been in effect have taught us all valuable lessons about the effectiveness of the program. Simply retooling the program through another branch of government, as SB 490, does not address what we have learned from the program. The UTA understands the importance of having open lines of communications between homeowners and lenders. But any program should be fair to both sides and that meets the needs of homeowners. If the legislature is inclined to continue the mediation, we look forward to working with both sides to craft a fair and effective foreclosure mediation program.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Brooks', written in a cursive style.

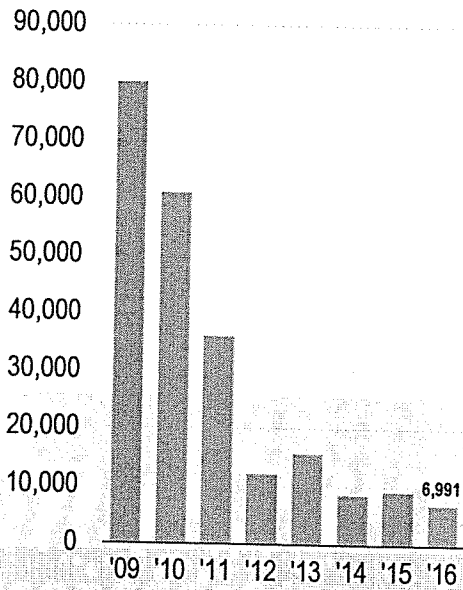
Michael R. Brooks, Esq.

Exhibit 1

Exhibit 1

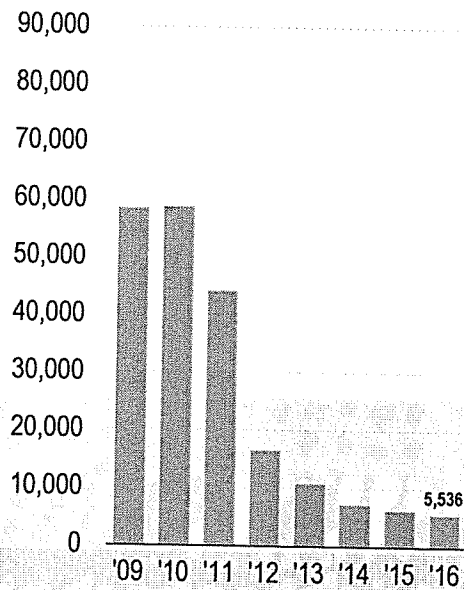
Notices of Breach and Default

Clark County, NV



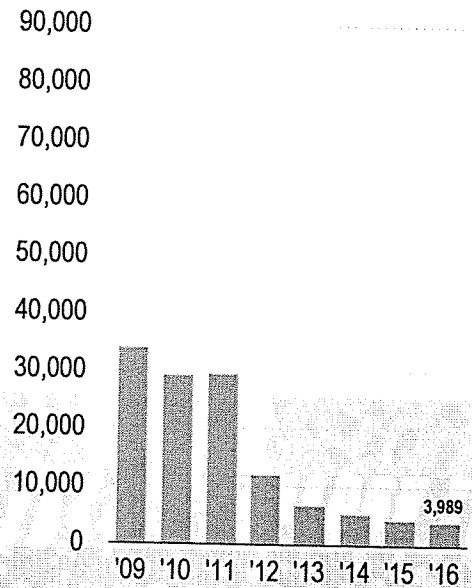
Notices of Trustee Sale

Clark County, NV



Trustee Deeds (Foreclosures)

Clark County, NV



Source: Clark County Assessor's Office; Applied Analysis; SalesTrac

Exhibit 2

Exhibit 2



Greater Las Vegas Association of REALTORS® January 2017 Statistics



	Single Family Residential Units			Condo/Townhouse Units		
	Jan 17	Change from Dec 16	Change from Jan 16	Jan 17	Change from Dec 16	Change from Jan 16
AVAILABILITY AT END OF PERIOD						
# of available units listed	10,552	+3.2%	-15.4%	1,840	+2.1%	-45.0%
Median list price of available units	\$ 275,000	+1.9%	+12.3%	121,950	+3.4%	-5.4%
Average list price of available units	\$ 401,949	+1.7%	+11.3%	143,149	+0.8%	-40.7%
*AVAILABILITY AT END OF PERIOD						
# of available units listed w/o offers	5,852	-1.7%	-21.2%	811	-10.9%	-63.4%
Median list price of available units w/o offers	\$ 320,250	+3.3%	+16.5%	\$ 132,000	+7.4%	-2.2%
Average list price of available units w/o offers	\$ 503,995	+3.7%	+16.5%	\$ 163,370	+7.1%	-42.2%
NEW LISTINGS THIS PERIOD						
# of new listings	3,514	+60.9%	+0.3%	739	+33.6%	-27.1%
Median price of new listings	\$ 269,000	+6.3%	+8.1%	\$ 129,000	+12.2%	-0.4%
Average price of new listings	\$ 346,738	+8.0%	+2.9%	\$ 143,142	+8.9%	-31.7%
UNITS SOLD THIS PERIOD						
# of units sold	2,144	-21.0%	+14.1%	531	-22.7%	+13.2%
Median price of units sold	\$ 238,000	+1.3%	+8.7%	\$ 113,500	+0.4%	-5.4%
Average price of units sold	\$ 271,648	-0.5%	+9.3%	\$ 129,918	+7.7%	-12.5%
TIME ON MARKET FOR UNITS SOLD THIS PERIOD						
	Jan 17	Dec 16	Jan 16	Jan 17	Dec 16	Jan 16
0-30 days	50.5%	51.5%	42.1%	61.8%	56.8%	37.7%
31-60 days	20.9%	20.2%	20.1%	16.8%	19.5%	20.9%
61-90 days	11.9%	11.6%	15.1%	8.7%	10.0%	17.1%
91-120 days	5.8%	7.1%	8.5%	3.8%	4.7%	8.5%
121+ days	10.9%	9.7%	14.2%	9.0%	9.0%	15.8%
TOTAL HOME SALES DOLLAR VALUE FOR UNITS SOLD THIS PERIOD						
	Jan 17	Change from Dec 16	Change from Jan 16	Jan 17	Change from Dec 16	Change from Jan 16
	\$ 582,412,272	-21.4%	+24.8%	\$ 68,986,323	-16.8%	-0.9%

*This category reflects the existing market availability of listings without pending or contingent offers.

Source: Greater Las Vegas Association of REALTORS®

For media inquiries, please call George McCabe, with B&P Public Relations, at (702) 325-7358.

DISCLAIMER: This data is based on information from the Greater Las Vegas Association of REALTORS® (GLVAR) Multiple Listing Service (MLS). This information is deemed reliable but is not guaranteed. MLS collects, compiles and distributes information about homes listed for sale by its subscribers who are real estate agents. MLS subscription is available to all real estate agents licensed in Nevada, but is not available to the general public. Not all licensed agents subscribe to the MLS. MLS does not include all new homes available or listings from non-MLS agents, nor does it include properties for sale by owner. The territorial jurisdiction of the GLVAR as a member of the National Association of REALTORS® includes Clark, Nye, Lincoln and White Pine Counties, Nevada, and such other areas as from time to time may be allocated to the GLVAR by the Board of Directors of the National Association of REALTORS®.



Greater Las Vegas Association of REALTORS® January 2017 Statistics

Sold Units Statistics by Area (see map)

Area	Single Family Residential Units			Condo/Townhouse Units		
	# of units sold	Median Sold Price	Average Sold Price	# of units sold	Median Sold Price	Average Sold Price
101 - North	37	\$140,000	\$144,305	1	\$78,000	\$78,000
102 - North	123	\$255,000	\$288,476	11	\$160,000	\$157,362
103 - North	228	\$210,500	\$224,342	18	\$115,000	\$119,525
201 - East	32	\$115,086	\$117,513	8	\$57,000	\$80,188
202 - East	50	\$150,000	\$142,179	12	\$59,250	\$59,009
203 - East	57	\$185,000	\$216,567	11	\$65,000	\$74,636
301 - South	90	\$183,500	\$187,424	15	\$73,000	\$77,167
302 - South	31	\$174,500	\$180,282	47	\$106,500	\$111,222
303 - South	63	\$205,000	\$232,614	27	\$80,000	\$81,244
401 - North West	101	\$242,500	\$257,948	39	\$120,000	\$128,298
402 - North West	24	\$168,950	\$228,779	4	\$69,450	\$90,600
403 - North West	82	\$166,000	\$170,223	30	\$79,000	\$82,091
404 - North West	52	\$204,000	\$238,509	36	\$100,950	\$108,103
405 - North West	94	\$315,000	\$428,497	24	\$219,600	\$244,542
501 - South West	189	\$250,000	\$286,136	32	\$124,000	\$118,695
502 - South West	41	\$224,000	\$244,556	15	\$97,000	\$98,633
503 - South West	95	\$315,000	\$432,998	19	\$116,000	\$136,395
504 - South West	89	\$262,500	\$292,129	62	\$104,950	\$128,701
505 - South West	118	\$240,500	\$269,495	16	\$123,000	\$125,488
601 - Henderson	125	\$257,000	\$290,584	2	\$164,000	\$164,000
602 - Henderson	27	\$245,000	\$302,006	18	\$126,000	\$123,156
603 - Henderson	72	\$278,000	\$303,741	25	\$175,000	\$170,276
604 - Henderson	32	\$278,218	\$311,248	11	\$189,000	\$227,180
605 - Henderson	25	\$225,000	\$217,902	4	\$134,500	\$128,750
606 - Henderson	70	\$270,000	\$301,293	14	\$167,445	\$159,956
701 - Boulder City	129	\$345,000	\$407,618	25	\$238,500	\$234,987
702 - Boulder City	12	\$261,000	\$312,783	3	\$157,000	\$176,358
800 - Mesquite	1	\$305,000	\$305,000	1	\$277,000	\$277,000
801 - Muddy River (Moapa, Glendale, Logandale, Overton)	3	\$239,000	\$209,950	1	\$95,000	\$95,000
802 - Mt. Charleston/Lee Canyon	8	\$160,400	\$191,163	-	\$0	\$0
803 - Indian Springs/Cold Creek	1	\$220,000	\$220,000	-	\$0	\$0
804 - Mountain Springs	1	\$230,000	\$230,000	-	\$0	\$0
805 - Blue Diamond	-	\$0	\$0	-	\$0	\$0
806 - State Line/Jean/Goodsprings	-	\$0	\$0	-	\$0	\$0
807 - Sandy Valley	-	\$0	\$0	-	\$0	\$0
808 - Laughlin	1	\$105,000	\$105,000	-	\$0	\$0
809 - Other Clark County	1	\$185,000	\$185,000	-	\$0	\$0
810 - Pahrump	-	\$0	\$0	-	\$0	\$0
811 - Nye County	31	\$185,000	\$189,948	-	\$0	\$0
812 - Lincoln County	1	\$33,075	\$33,075	-	\$0	\$0
813 - Other Nevada	-	\$0	\$0	-	\$0	\$0
814 - Amargosa Valley	-	\$0	\$0	-	\$0	\$0
815 - Beatty	1	\$115,000	\$115,000	-	\$0	\$0
816 - White Pine County	-	\$0	\$0	-	\$0	\$0
817 - Searchlight	7	\$77,300	\$96,043	-	\$0	\$0
900 - Outside Nevada	1	\$35,000	\$35,000	-	\$0	\$0
	-	\$0	\$0	-	\$0	\$0

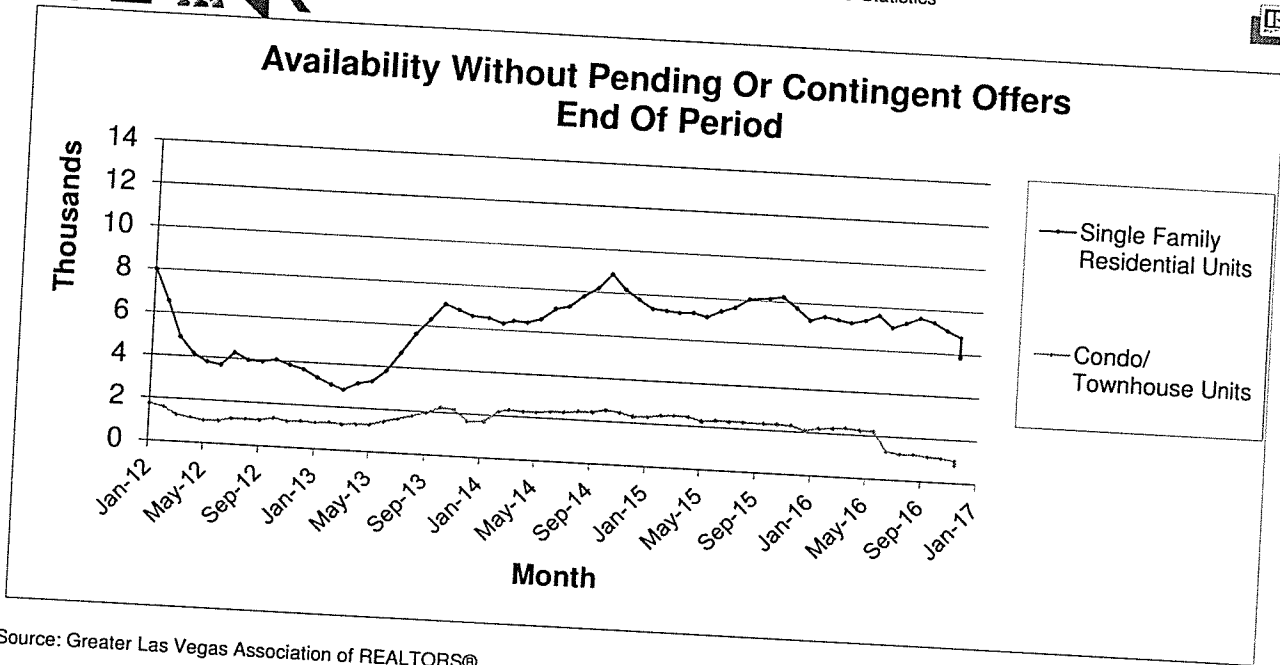
Source: Greater Las Vegas Association of REALTORS®

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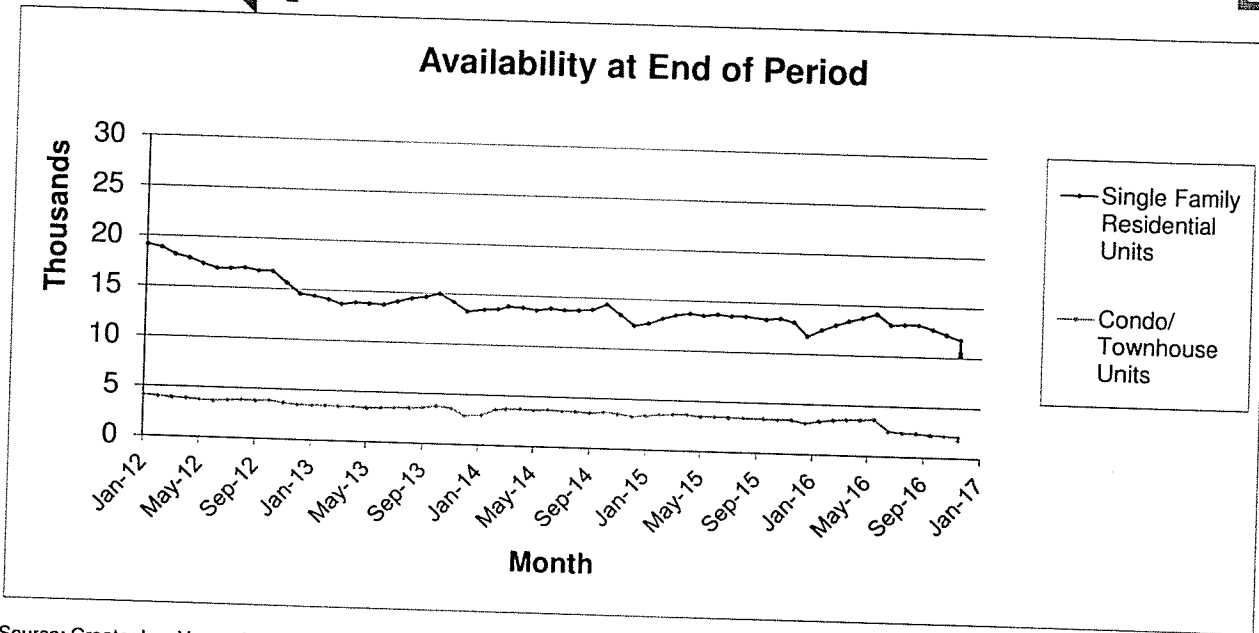
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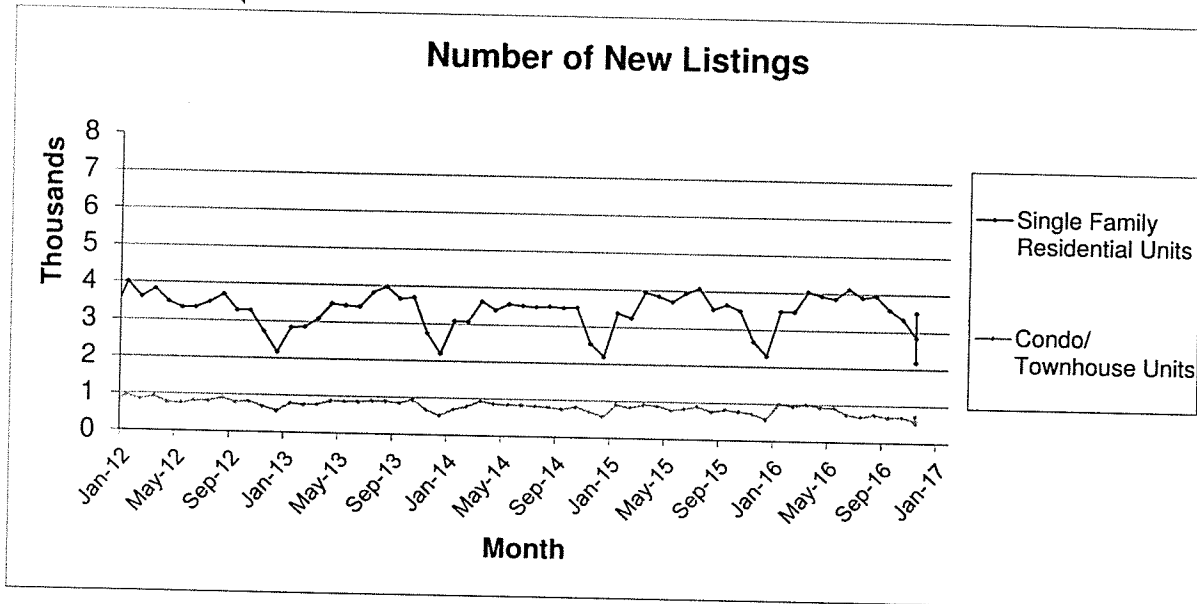
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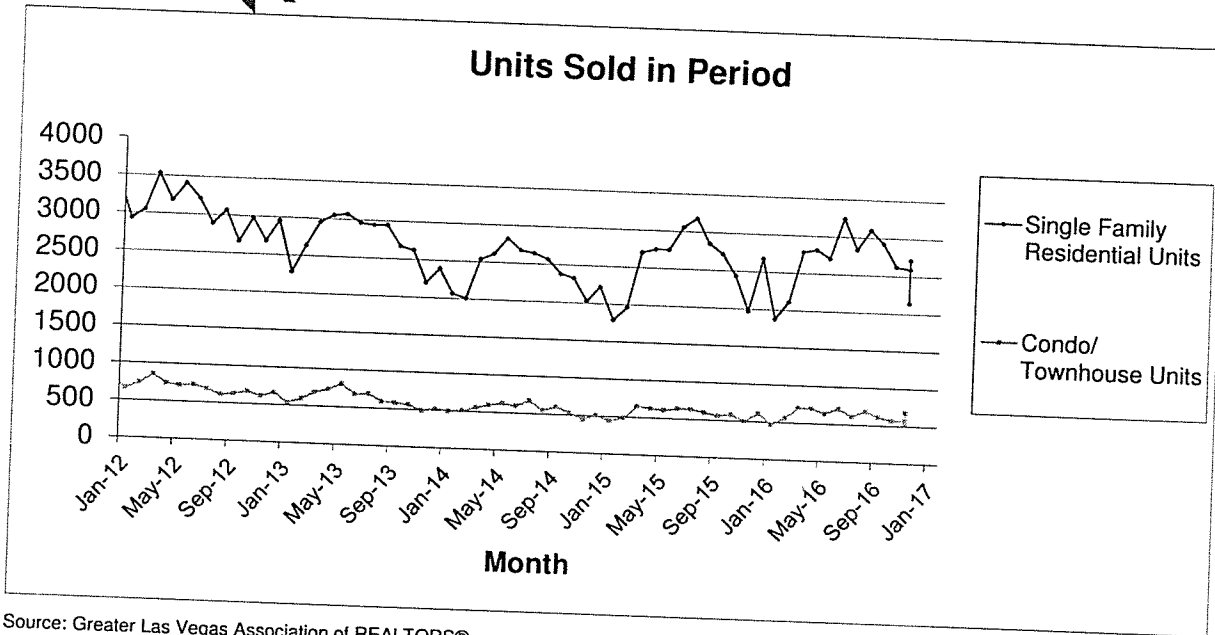
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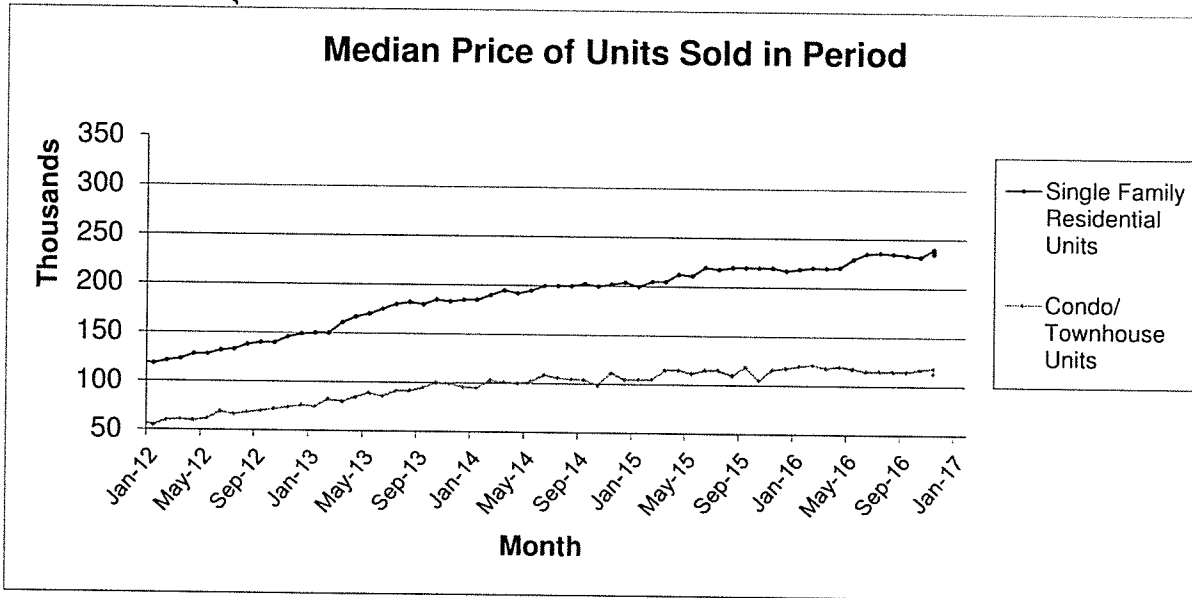
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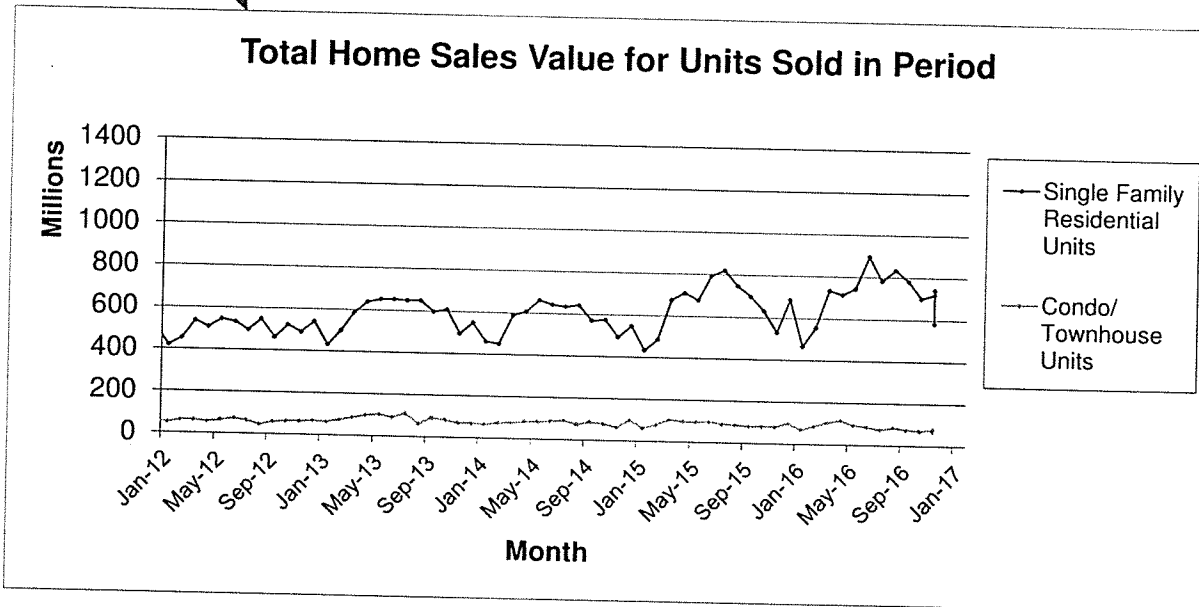
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Exhibit 3

Exhibit 3

FMP Statistics

Program statistics available on-line: <http://foreclosure.nevadajudiciary.us/>

Category	FY 13	FY 14	FY 15 Thru Dec
Notices of Default and Intent to Sell	18,655	11,558	6,120
Mediations Held	1,411	1,894	509
Agreement Outcomes	439	504	141
<i>Retained Property</i>	216	273	63
Non-Agreement Outcomes	972	1,391	336
Certificates Issued	10,600	14,646	4,592
Non-Applicable Properties	9,891	13,493	4,325
Applicable Properties	710	1,153	209

FMP Costs

- 6 full-time positions (\$941,634 over the biennium)
 - Program Manager
 - Customer Services and Administrative Support Assistant
 - Intake Unit (2 positions)
 - Certificate Unit (2 positions)

- Operating (travel, rent, supplies, postage, printing, copiers, legal support, administrative support, temporary employee services, maintenance of the case management system, SWCAP, etc.)
 - \$855,300 over the biennium