

Florida Supreme Court Admits Failure of Its Residential Mortgage Mediation Program: Sad News for Florida as Foreclosure Crisis Continues

December 20, 2011 by [Rosa Schechter](#)

There's no label other than failure to place upon the Florida plan for mediation of residential mortgage foreclosures now that [Chief Justice Charles Canady](#) signed the Florida Supreme Court's administrative order gutting the program this week.

You can read the full text of the Florida Supreme Court Order (AOSC11-44) terminating the Residential Mortgage Mediation Program online [here](#).

This isn't a surprise to most of us. Already on the table was the October 2011 panel recommendation that the circuit courts should oversee mediations of residential foreclosure lawsuits according to their own individual needs, [not having the one size fits all program that had been structured by the Florida Supreme Court](#) to be implemented statewide.

[You can read the full text of the optimistic Florida Supreme Court Order \(AOSC09-54\) that created the Florida Residential Mortgage Mediation Program online \[here\]\(#\).](#)

In 2009, the Florida Supreme Court recognized that "...[a]t the close of 2009, it is estimated there will be an inventory of approximately 456,000 pending foreclosure cases statewide. The crisis continues unabated." The efforts of the justices to solve this statewide problem should be commended even if their efforts have proven to be unsuccessful.

What's happened here? As we [discussed back in October 2010](#): one of the big reasons this plan did not work was because [so many residential mortgage mediations would involve lenders bringing files where the lenders had had the Law Firm of David J. Stern as bank counsel](#); these lenders could not mediate with the mortgage holders without new legal representation in place, to sit in the stead of the David J. Stern Law Firm. This representation issue alone complicated things across the state -- and impacted thousands of pending foreclosure cases.

Right now, [there are over 350,000 foreclosure cases setting on court dockets across Florida](#). It's predicted that there will be many new foreclosures filed in 2012, now that the banks have taken the time to get their paperwork in order.

What will happen in Florida now? It's not clear. One thing is obvious: banks cannot get back to the straightforward business of banking and Florida real estate industry cannot regroup and move forward under this bottleneck of foreclosure lawsuits gets cleared.