



Valued Client:

Philadelphia and Allegheny Counties in Pennsylvania represent approximately 25% of the State's population and those Counties have not been accepting new foreclosure Complaints due to the Covid-19 crisis. Despite this roadblock, we have been actively involved with President Judge Fox of Philadelphia County and Judge McVay of Allegheny County to determine a way forward towards settlement options for borrowers already in foreclosure.

Yesterday, July 2, 2020, the Philadelphia County Court of Common Pleas entered the attached Administrative Order concerning the Residential Mortgage Foreclosure Conciliation Program. The Order and attached form praecipe provides a roadmap that is intended to prioritize the immense backlog of conciliation cases so that borrowers that are seeking a loan modification are provided an earlier date once conferences resume. Specifically, the Court requires that a Plaintiff/Lender must file a Praecipe to Place a Case in Deferred Status if a loan:

- i. is in an active trial modification plan;
- ii. is in an active forbearance agreement;
- iii. where a defendant is an "At Risk" HFCM Mortgagor pursuant to HUD Mortgagee Letter 2015-11, Option 2; or,
- iv. where a file has been placed on a hold and Plaintiff's counsel has been instructed not to proceed.

We are actively auditing our Philadelphia active inventory to determine whether any file fits the above criteria and will contact our clients directly to obtain authority to file the Praecipe attached to the Order, if we have not already done so. A significant population of our files qualify due to GSE moratoriums. We encourage our clients to conduct a similar audit on files in the Philadelphia mediation program and communicate to the firm whether any of the above criteria are met. The loan may be removed from deferred status by a praecipe to relist the matter for a conciliation conference, which obviates the need for motion practice.

The attached Order also provides a mechanism whereby the Court will conduct an internal audit based on the status of a case and schedule the matter for a case management conference or for a Rule to determine whether the matter should proceed or be referred to the conciliation program. The Order further delays pending trial pools until October 15, 2020, where the parties will be contacted to determine trial readiness. Finally, the Order provides a mechanism to remove a matter from the diversion program with proof of vacancy.

Similarly, our conference with Allegheny County demonstrated some positive movement that the Court will be actively reviewing its mediation inventory and scheduling conferences to resume as soon as August 2020. Judge McVay stated that his trial docket is clear and he can focus on moving cases through the Allegheny diversion program, which is notoriously slow-moving. Hopefully, this active Court intervention will result in more performing loans through modification or otherwise, or, alternatively, the ability of a lender to seek to recover its debt from the collateral. Judge McVay anticipates conciliation conferences to proceed by way of video conferencing. We expect that Judge McVay will issue an Order concerning its diversion program in the next week or two.

Thank you and have a great holiday weekend.

David Neeren, Esquire

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**FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY**

No. 45 of 2020

President Judge Administrative Order

**In re: QUALIFYING RESIDENTIAL MORTGAGE FORECLOSURE PROGRAM
REASSIGNMENT**

ORDER

AND NOW, this 2nd day of July, 2020 under Pa.R.J.A. No. 1952 (B)(2), and the Judicial Emergency declared by the First Judicial District, and in light of the limited access to City Hall for emergency relief, and the public safety concerns associated with large crowds, it is **ORDERED AND DECREED THAT** Mortgage Foreclosure Conciliation Conferences and Case Management Conferences subject to Joint General Court Regulation No. 2008-01 are continued generally until further order of court and pending cases shall be processed as follows:

PART I. Mandatory Deferral Applications

1. Plaintiff's counsel must file a Praecipe to Defer in the form attached to this Order, in the following cases:
 - a. The parties have entered a Trial Modification Plan;
 - b. The parties have entered a Forbearance Agreement;
 - c. The Defendant is an "At-Risk" HECM Mortgagor pursuant to HUD Mortgagee Letter 2015-11, Option 2.
 - d. Plaintiff has instructed counsel to not proceed with the case.
2. Plaintiff's counsel may remove case from deferred status by filing a Praecipe to Relist in the form attached to this Order. Cases removed from deferred status will be listed for a Conciliation Conference.

PART II. Case Management Conferences

1. If a Case Management Conference is pending, in lieu of a conference, the court will review the docket to determine whether service is completed on all named Defendants and whether the case completed Conciliation.
 - a. If the docket reflects service is complete as to all Defendants and the case completed Conciliation, a Standard Track Case Management Order will be issued.

- b. If Plaintiff has failed to effectuate service on all named Defendants, and the case was removed from Conciliation because of the failure to serve all named Defendants, a Rule will be issued against Plaintiff to show cause why the case should not be dismissed for lack of prosecution. Until further notice said Rule hearing will be conducted remotely.
- c. If the case was removed for lack of service, and service is completed on all named Defendants, the case may also be returned to Conciliation upon the filing of a Praecipe to Relist by Plaintiff's counsel.

Part III. Trial

Any foreclosure case scheduled for trial, whether a date-certain or pool, between March 16, 2020 through October 1, 2020, is continued until October 15, 2020, at which time the case will be reviewed on the papers, counsel and parties will be notified to determine status, and if ready for trial, will be scheduled for trial. Plaintiffs are again advised that cases subject to forbearance should be placed in deferred status.

Part IV Reassignment from Diversion Program

Where the applicability of Joint General Court Regulation 2008-01 is disputed, a Motion to reassign may be filed. Motions will be decided on the pleadings and must contain sufficient facts, including, but not limited to photographs of the property. In addition, the Motion will be reviewed at the next scheduled Conciliation Conference.

BY THE COURT:

/s/ Jacqueline F Allen

/s/ Idee C. Fox

**Jacqueline F. Allen
Administrative Judge – Trial Division
First Judicial District of Pennsylvania
Court of Common Pleas, Philadelphia County**

**Idee C. Fox
Chair, Administrative Governing Board
First Judicial District of Pennsylvania
President Judge, Court of Common Pleas,
Philadelphia County**

**IN THE COURT OF COMMON PLEAS OF PHILADELPHIA
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION**

	:	
	:	
Plaintiff	:	_____ Term 20____
v.	:	Docket No.
	:	
	:	Conciliation Date:
	:	Day Forward No.
	:	Housing Counselor:
	:	
Defendant(s)	:	

PLAINTIFF'S PRAECIPE TO PLACE CASE IN DEFERRED STATUS

TO THE OFFICE OF JUDICIAL RECORDS:

Please place this residential mortgage foreclosure case into deferred status for the following reason (**check one**):

- ☐ The parties have entered a Trial Modification Agreement.
- ☐ The parties have entered a Forbearance Agreement.
- ☐ Defendant's status as an "At Risk" HECM Mortgagor pursuant to HUD Mortgagee Letter 2015-11, Option 2.
- ☐ Plaintiff has instructed counsel not to proceed with the case.

This matter may be removed from deferred status by Praecipe to Discontinue or Praecipe to Relist for a Conciliation Conference.

Attorney for Plaintiff

**IN THE COURT OF COMMON PLEAS OF PHILADELPHIA
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION**

	:	
	:	
	:	_____ Term 20____
Plaintiff	:	Docket No.
v.	:	
	:	Conciliation Date:
	:	Day Forward No.
	:	Housing Counselor:
	:	
Defendant(s)	:	

PLAINTIFF'S PRAECIPE TO RELIST

TO THE OFFICE OF JUDICIAL RECORDS:

Please remove this mortgage foreclosure matter from deferred status and list it for a Conciliation Conference.

Attorney for Plaintiff