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June 29, 2012

The Honorable Anthony J. DeLuca
Legislative Hall
P.O. Box 1401
Dover, DE 19903

The Honorable Robert F. Gilligan
Legislative Hall
P.O. Box 1401
Dover, DE 19903

RE: Foreclosure Filing Data- 2nd Quarter

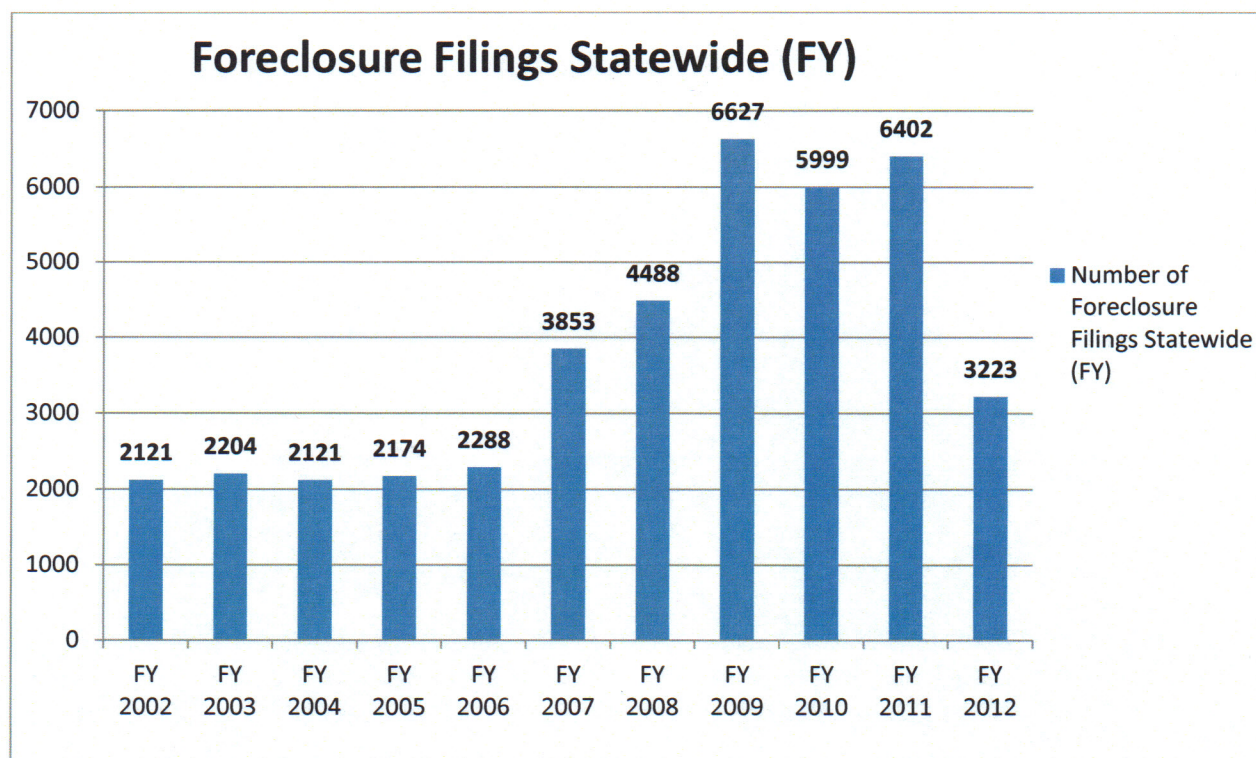
Dear President Pro Tempore DeLuca and Speaker Gilligan:

Last year, in response to record numbers of foreclosures filed against Delaware homeowners, the General Assembly enacted a legislative package meant to afford Delawareans an opportunity to explore alternatives to foreclosure. That legislative initiative established a mandatory, automatic Residential Mortgage Foreclosure Mediation Program (the "Mediation Program"). As the delegatee of the Superior Court under 10 *Del. C.* § 5062C(t), the Department of Justice is required to periodically report relevant statistics about the implementation of the Mediation Program. This letter serves as the 2nd Quarter Report.

1. Statistical Snap Shot

Before the Mediation Program went into effect, Delaware saw an average of more than 15 foreclosure actions filed per day. During the week before the Mediation Program went into effect, 308 foreclosure actions were filed, with 153 of those filed on January 18, 2012 alone. As of June 12, 2012, only 30 eligible foreclosure actions have been filed since the Mediation Program went into effect this past January. A more detailed overview of foreclosure statistics can be found below, as well as on the Mediation Program website at: <http://www.attorneygeneral.delaware.gov/consumers/protection/automediation.shtml>.

The following chart demonstrates the number of foreclosure actions¹ filed statewide in the fiscal years indicated.



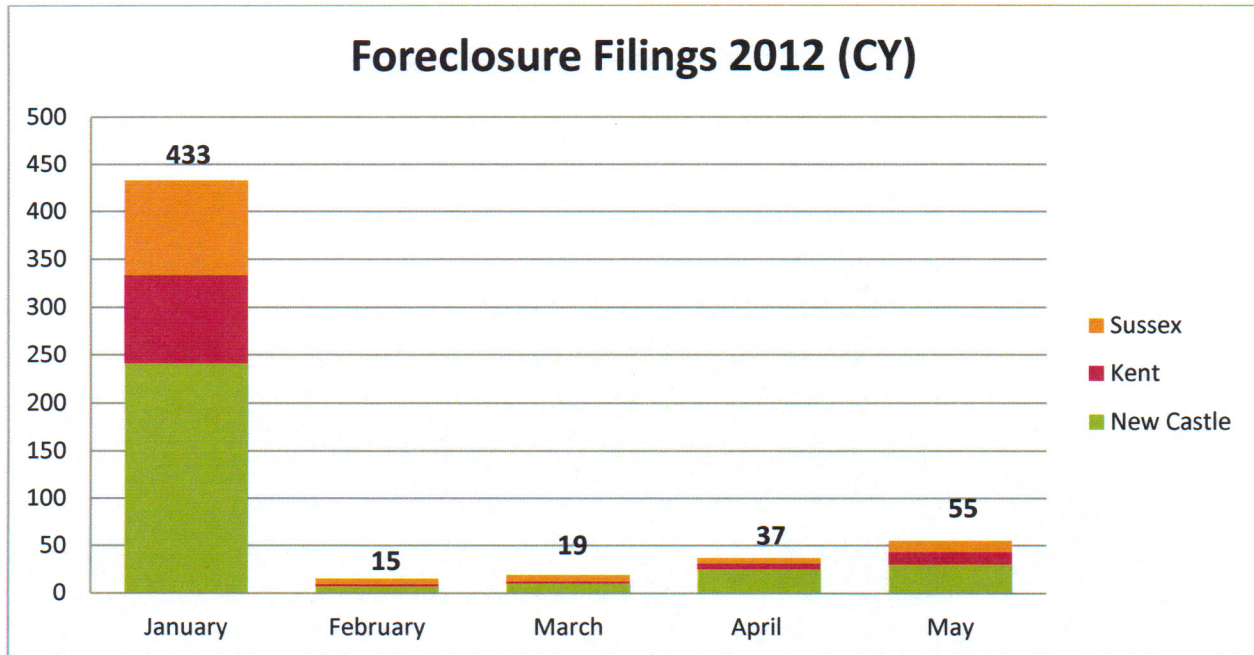
2. Foreclosure Filings Since Effective Date of the Mediation Program

While the numbers of foreclosure filings still remain low five months after the Mediation Program's effective date, that number is slowly starting to increase. Between January 19, 2012 and May 31, 2012, there were a total of **134** foreclosure filings statewide with, **22 of those cases, or 16%** eligible for the Mediation Program. By contrast, 2,628 foreclosures were filed during the same period in 2011, 2,187 during the same period in 2010, and 2,722 during the same period in 2009.

¹ This data is compiled through May 31, 2012. These figures include *scire facias* actions, commercial foreclosure actions, mechanic's lien actions, and, as of January 19, 2012, mediation eligible *scire facias* actions. Additional information by county and case type is available on the Department of Justice's website:

<http://www.attorneygeneral.delaware.gov/consumers/protection/automediation.shtml>.

The following chart demonstrates the number of foreclosures filed in all case types in each county from January 1, 2012 through May 31, 2012.



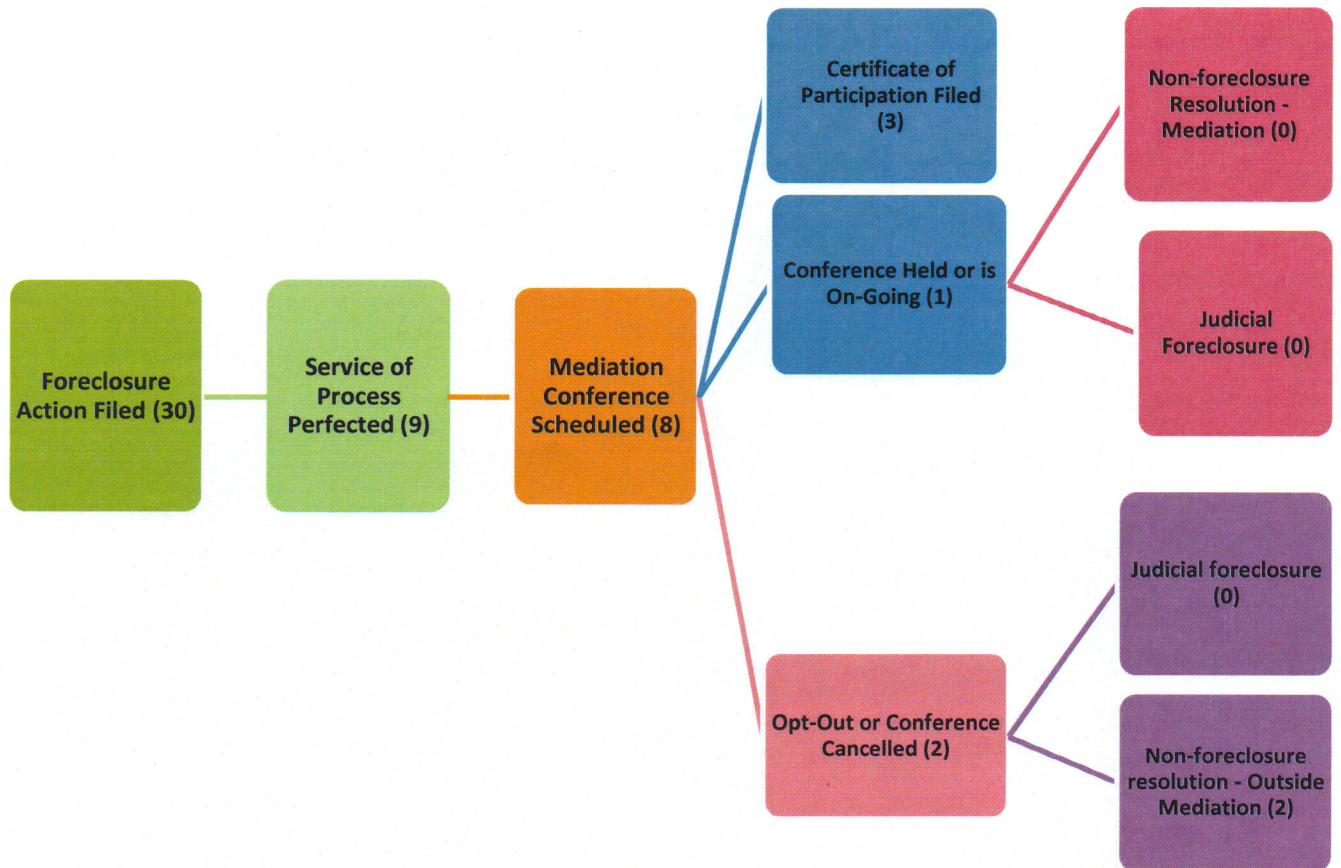
3. Mediation Conferences and Participation Data

Due to the small number of eligible *scire facias* actions, the Mediation Program is currently conducting true mediations for each case in which the homeowner has been served with process, rather than the envisioned conciliation style mediation conferences for the expanded Mediation Program.

As of May 31, 2012:

- 8 cases have been scheduled for mediation conferences;
- 1 mediation conference has been held and was continued to allow the lender additional time to review the homeowner's financial documents;
- 3 Certificates of Participation have been filed;
- 1 homeowner opted-out of the Program after reaching agreement with the lender for a deed-in-lieu of foreclosure; and
- 1 mediation conference was cancelled and the case dismissed by the plaintiff.

The following chart displays the Mediation Program process and the corresponding participation rates for each event as of May 31, 2012:

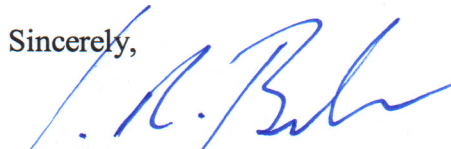


4. Going Forward

While foreclosures have decreased drastically, the process remains a painful reality for many Delaware homeowners, and the instances are beginning to creep back up. The Department of Justice’s Office of Foreclosure Prevention and Financial Education (the “OFP”) has been an integral complement to the Mediation Program through its community outreach and education seminars, servicer events, and the day-to-day assistance provided to homeowners via the foreclosure hotline. In the upcoming month of June, the OFP is hosting 11 outreach and education events throughout the State where homeowners are given the knowledge and information to assist them in navigating the foreclosure process which may enable them to save their homes.

As 2012 continues, the Mediation Program stands ready to augment OFP's efforts to help address the foreclosure crisis. As cases are filed, homeowners will be promptly scheduled for mediation dates throughout the State, and borrowers will have the opportunity to have a meaningful conversation with their lender before a foreclosure proceeds.

Sincerely,



Joseph R. Biden, III