# DISTRICT OF COLUMBIA NOTICE OF DEFAULT ON RESIDENTIAL MORTGAGE (FORM FM-1)

Dear [1] _____:

According to our records, you are behind on your mortgage and owe the following amounts on the property located at [2] _____:

| Month (each) | Principle, interest, taxes, and insurance [3] _____ Principal and interest [3] _____ Interest only [3] _____ | Late fees | Escrow (taxes and insurance) | Other: [4] _____ | Total |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| Principal Balance | | | | | |
| Grand Total | | | | | |

Please pay $[5] _____ by [6] _____ to bring your loan current. Your mortgage loan is in default. If you do not pay this amount by this date, you could lose your home at a foreclosure sale.

**If you are unable to make the above payment, you may:**

Choose to participate in mediation through a program available from the District of Columbia government to see if you can qualify for a loan modification or other alternative to avoid foreclosure. Mediation is a face-to-face meeting between you and your lender, where you try to come to an agreement with the help of a neutral third-party mediator provided by the District of Columbia government. **If you choose mediation, a foreclosure cannot be commenced until the mediation is concluded.**

**NOTICE: If you choose to mediate, you MUST take the following actions on or before [7]:** _____

Complete and return the Mediation Election Form (Form FM-2), Loss Mitigation Application (Form FM-1LM), and a $50 fee payable to the "D.C. Treasurer" to the Mediation Administrator (Please keep a copy of all documents sent to the Mediation Administrator). Mail a copy of the Mediation Election Form (Form FM-2) and the Loss Mitigation Application (Form FM-1LM) to your lender. You should

use the pre-addressed envelopes included with the Notice of Default on Residential Mortgage to mail the documents to the Mediation Administrator and to your lender.

**NOTE: If you do not return the forms and fee by [8]_____, you will lose your right to mediation and may lose your home through foreclosure.**

2. You may also apply for one of [9]_____'s programs to assist borrowers who are behind in their mortgages. You will find information and applications for these programs enclosed.

**You may choose both of these options at the same time.** But, if you only choose to apply for one of the programs, you may not be able to choose mediation later on if we find that you do not qualify for [9]_____'s program. If you want to talk to someone at [10]_____, about this, please call [11] _____ at [12]_____ or send a fax to [13]_____.

**NOTE: If you do not elect to participate in mediation or bring your loan current, [14]_____(your lender) may initiate the foreclosure of your mortgage and sell your home at a foreclosure sale.**

**Date: [19]** _____

| Attached Documents | |
|---|---|
| ☐ | Borrower Assistance and Resource Information Form (Form FM-1BA) |
| ☐ | Contact Information which Borrower may use to reach Lender or agent with authority to explain mediation process |
| ☐ | Description of all available loss mitigation programs with eligibility requirement(s) and required documentation |
| ☐ | Loss Mitigation Application (Form FM-1LM) |
| ☐ | Instructions for completing and mailing Loss Mitigation Application |
| ☐ | Mediation Election Form (Form FM-2) |
| ☐ | Envelope addressed to Lender |
| ☐ | Envelope addressed to Mediation Administrator |

**cc: Mediation Administrator (via email: DISB.mediation@dc.gov and first class mail)**

# You are in danger of foreclosure.

## Please read this Notice carefully to learn how you may be able to prevent foreclosure.

If you are unable to bring your mortgage current, you can choose to get help from a mediator who works for the District of Columbia Department of Insurance, Securities and Banking.
**To choose mediation, you must return the enclosed Mediation Election Form (Form – FM2), the Loss Mitigation Application (Form FM -1LM), and pay the $50 fee, by [8] _____.**

**IMPORTANT: If you choose mediation, a foreclosure cannot be commenced until the mediation is concluded**

## What is Mediation?

Mediation is your chance to have a **neutral third party** help you and your lender try to find a solution to your mortgage problem. Mediation is your only opportunity to sit down **face-to-face** with someone from [14] and a neutral third party to try to resolve your mortgage problem. You can bring a representative with you to mediation if you want. You can have a representative attend for you, if you authorize that representative to negotiate a settlement of your mortgage problem for you. The Mediation Administrator, a District of Columbia government employee, will contact you regarding the scheduling of your Mediation.

## What are all of these papers?

You should have received the following documents with the Notice of Default on Residential Mortgage:

1. A Mediation Election Form (Form FM-2) which you can use to choose to go to mediation to help resolve your mortgage problem.
2. Two pre-addressed envelopes to use to choose the option to mediate. One should be addressed to the Mediation Administrator, and one should be addressed to your lender.
3. A document that describes special programs (loss mitigation programs) available from your lender for your mortgage loan when you are behind in your mortgage loan payments. The document should describe each available program and the eligibility requirements for each program.
4. A Loss Mitigation Application (Form FM-1LM) (and instructions) that should be used to apply for loss mitigation programs available from your lender. **NOTE:** the Loss Mitigation Application must be sent to the Mediation Administrator and the lender in order to choose to go to mediation. You may choose to do both mediation and apply for a loss mitigation program.
5. Borrower Assistance and Resource Information (Form FM -1BA) which provides useful information to assist you in obtaining assistance with your mortgage problems.

If you have not received these documents, or if you have misplaced any of the documents, please contact the Mediation Administrator at (202) 442-7848 or DISB.mediation@dc.gov.

## Who can I call for help?

If you have any question about any of these documents, foreclosure, or mediation, you can contact the

**District of Columbia Department of Insurance, Securities and Banking**
**810 First Street, NE, Suite 701**
**Washington, DC 20002**
**(202) 727-8000**

In addition, you should review the Borrower Assistance and Resource Information (Form FM-1BA), which provides resources where you may be able to obtain assistance with your mortgage problem and other housing issues.

## Are there any deadlines for me to act?

If you want to choose mediation, you have until [15] _____, to complete and return the Mediation Election Form (Form FM-2) and the Loss Mitigation Application (Form FM-1LM), along with a $50 fee payable to the "D.C. Treasurer", to the Mediation Administrator. Additionally, you have to copy the Mediation Election Form (Form FM-2) and the Loss Mitigation Application (Form FM-1LM) and mail it to your lender [14] _____. You should use the pre-addressed envelopes included with the Notice of Default on Residential Mortgage to send the documents to the Mediation Administrator and your lender.

If you do not return the Mediation Election Form and fee by [17] _____, the Mediation Administrator will issue a Mediation Certificate that will permit [18] _____ to foreclose on your property.

If the Mediation Administrator issues a Mediation Certificate, [18] _____ will then be able to foreclose on your property after issuing a Notice of Intention to Foreclose a Residential Mortgage (Form FM-5) at least thirty (30) days before any foreclosure sale.

A lender in the District of Columbia does **not** have to take you to court to foreclose on your property. A sale can take place thirty (30) days after the issuance of a Notice of Intention to Foreclose a Residential Mortgage (Form FM-5).

## FAQ

If I return the form to [18] _____ to apply for one of their programs, should I still return the mediation form?

YES. You must return the Mediation Election Form if you want the help of a neutral third-party to help resolve your mortgage problems. Applying directly to [18] _____ for help does not stop the clock on your deadline by which you must apply for mediation with the Mediation Administrator.

## Information for Notice of Default on Residential Mortgage (Form FM-1)

**INSTRUCTIONS:** The following information shall be included in the Notice of Default on Residential Mortgage to be sent to a borrower. The information listed below shall be provided in the Notice of Default on Residential Mortgage in place of the corresponding numbered bracket spaces.

1. Insert Name and address of Borrower.
2. Insert the complete legal address, including lot and square number, of the real property subject to the Notice of Default on Residential Mortgage.
3. Check if applicable
4. Other items of non-payment or fees. For each fee, provide a description and amount. Attach additional sheets as necessary.
5. Insert amount to cure default
6. Insert date to cure default
7. Insert Date which is the thirtieth (30th) day after the day of the Mailing of Notice of Default on Residential Mortgage, not including the date of the Mailing of Notice of Default on Residential Mortgage (if the Date is a weekend or holiday, then insert the next business day).
8. Insert Date which is the thirtieth (30th) day after the day of the Mailing of Notice of Default on Residential Mortgage, not including the date of the Mailing of Notice of Default on Residential Mortgage (if the Date is a weekend or holiday, then insert the next business day).
9. Insert Name of Lender
10. Insert Name of Lender
11. Insert Name of Lender, or the Agent for the Lender who can discuss the Notice of Default on Residential Mortgage, the Lender's Loss Mitigation programs, and the Foreclosure Mediation Program.
12. Insert the telephone number for the Lender, or the Agent for the Lender who can discuss the Notice of Default on Residential Mortgage, the Lender's Loss Mitigation programs, and the Foreclosure Mediation Program.
13. Insert the facsimile number for the Lender, or the Agent for the Lender who can discuss the Notice of Default on Residential Mortgage, the Lender's Loss Mitigation programs, and the Foreclosure Mediation Program.
14. Insert Name of Lender
15. Insert Date which is the thirtieth (30th) day after the day of the Mailing of Notice of Default on Residential Mortgage, not including the date of the Mailing of Notice of Default on Residential Mortgage (if the Date is a weekend or holiday, then insert the next business day).
16. Insert Date which is the thirtieth (30th) day after the day of the Mailing of Notice of Default on Residential Mortgage, not including the date of the Mailing of Notice of Default on Residential Mortgage (if the Date is a weekend or holiday, then insert the next business day).
17. Insert Date which is the thirtieth (30th) day after the day of the Mailing of Notice of Default on Residential Mortgage, not including the date of the Mailing of Notice of Default on Residential Mortgage (if the Date is a weekend or holiday, then insert the next business day).
18. Insert Name of Lender.
19. Insert Date of the Notice of Default on Residential Mortgage.