



## 2009 ASSEMBLY BILL 305

June 4, 2009 - Introduced by Representatives DEXTER, RICHARDS, A. WILLIAMS, BERCEAU, ZEPNICK, KAUFERT and MASON, cosponsored by Senators KREITLOW, SULLIVAN and LEHMAN. Referred to Committee on Housing.

1     **AN ACT** *to create* 802.02 (1) (c) and 802.12 (2) (am) of the statutes; **relating to:**  
2     notification of alternative dispute resolution in foreclosure actions.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a lender or mortgage holder that wishes to foreclose on a home must file a complaint in circuit court setting forth the facts that support a foreclosure and stating the relief the lender or mortgage holder seeks. After being properly served with the complaint, the homeowner may answer the complaint and the matter will proceed to trial, the parties may settle the dispute, or the court may rule in favor of one party or the other based solely on the pleadings filed with the court.

Current law offers alternative dispute resolution to parties in a civil action. Alternative dispute resolution may consist of binding or nonbinding arbitration, direct negotiation or a settlement discussion between the parties that is facilitated by a neutral third party, an evaluation of the merits of the case and a discussion of possible resolutions of the matter by a neutral third party or a panel of citizens chosen by the parties, or an abbreviated trial on some or all of the issues in dispute. Alternative dispute resolution may be requested by either party in a civil case or may be ordered by the judge.

This bill requires the lender, mortgage holder, or any other party bringing a foreclosure action against a homeowner to include, in its pleading that sets forth a claim for relief, a statement that either party may request the court to order alternative dispute resolution for the foreclosure claim. Under the bill, if either of

