

Lawyers Trust Fund of Illinois
Guidelines for Mortgage Foreclosure Legal Assistance
July 2016

Introduction

The Lawyers Trust Fund of Illinois has received \$13,037,872 from a national settlement between Bank of America and the U.S. Department of Justice. Under the terms of the settlement, LTF must distribute the funds *“for the sole purpose of providing funds to legal aid organizations in the state of Illinois to be used for foreclosure prevention legal assistance and community redevelopment assistance.”* Accordingly, LTF will award grants for **mortgage foreclosure legal assistance** (addressed by these guidelines) as well as for **community economic development legal assistance** (covered by separate grant guidelines).

Purpose

Mortgage Foreclosure Legal Assistance (“MFLA”) Grant funds are to be used to provide legal advice and legal representation regarding legal issues related to the housing and financial consequences of mortgage foreclosure actions.

Eligibility

To be eligible to apply for an MFLA grant, an organization must:

- Have received a grant related to mortgage foreclosure legal assistance from the Lawyers Trust Fund of Illinois under the Bank of America (I) or Citibank settlements during FY 2016; *or*
- Be a not-for-profit provider of legal aid services that:
 - Received a grant from the Lawyers Trust Fund of Illinois between July 1, 2010 and June 30, 2016;
 - Employs at least three full-time equivalent attorneys licensed to practice in Illinois who are engaged in the delivery of legal services;
 - Provided mortgage foreclosure legal assistance in at least **500 closed cases involving brief servicesⁱ** and/or at least **50 closed cases involving extended representationⁱⁱ** between July 1, 2015 and June 30, 2016.

Legal Issues to be Addressed

The services to be supported under the MFLA grant must be related to the threat of foreclosure or the filing of a foreclosure action.

The legal services provided under the grant are intended to help individuals and families affected by foreclosure maintain their housing and to help those individuals protect economic interests threatened by foreclosure. Grant recipients may provide legal assistance

in related legal matters (*e.g.*, bankruptcy, probate, tax, debt collection, divorce) if the service furthers the goal of preserving access to housing and/or housing-related economic interests.

The services to be provided under the grant include legal advice and counsel; representation in negotiations with third parties; representation in mediation; and/or representation in litigation.

Duration of MFLA and Timeframe for Initial Grants

The Lawyers Trust Fund anticipates that the MFLA Grants will be awarded over a period of four to five years, based on factors such as the size/number of grants and the return on invested funds. Initial grants will be made for a two-year period (*January 1, 2017 – December 31, 2018*).

Amounts Available

The amount available for MFLA grants will be determined by the LTF board of directors based on the number and quality of the applications received and the amounts requested. For planning purposes, the LTF board has designated a range of **\$1,900,000 to \$2,250,000** per year for mortgage foreclosure legal assistance.

Geographic Coverage

The Lawyers Trust Fund's expectation is that the grants will be awarded to support MFLA projects throughout the state.

Applying for an MFLA Grant

Applicants must complete and submit the MFLA grant application form by 5:00pm September 30, 2016. Completed applications should be submitted by email to apply@ltf.org.

ⁱ "**Brief Service**" cases include legal counsel and advice and/or other brief service including drafting of simple legal documents and preparation of documents for client to use on a *pro se* basis. Brief Services does not include matters limited to information & referral.

ⁱⁱ "**Extended Representation**" is defined as extensive research, preparation of complex letters or other legal documents; negotiation with third parties; extensive transactional work; representation in formal proceedings and/or hearings before an administrative agency; representation in court proceedings.