



UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF NEW YORK

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United States Bankruptcy Court, Eastern District of New York - PRESS RELEASE

U.S. BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF NEW YORK ADOPTS LOSS MITIGATION PROGRAM AND PROCEDURES IN CONSUMER BANKRUPTCY CASES

FOR IMMEDIATE RELEASE

Brooklyn, NY [December 11, 2009] - By General Order dated December 8, 2009, the United States Bankruptcy Court for the Eastern District of New York adopted a Loss Mitigation Program, effective immediately, to provide a comprehensive court-supervised program to facilitate consensual resolutions of disputes between individual debtors in bankruptcy and lenders concerning residential real property at risk of loss to foreclosure. The Loss Mitigation Program is available to assist debtors and lenders in cases filed under Chapter 7, 11, 12, and 13 of the Bankruptcy Code, in cases assigned to Chief Judge Carla E. Craig and Judge Elizabeth S. Stong in Brooklyn, and Judge Dorothy T. Eisenberg in Central Islip, as well as any other judge who elects to participate in the program. Similar programs have been adopted in the Southern District of New York and the District of Rhode Island.

The Loss Mitigation Program was developed by a committee of judges and lawyers, including representatives of lenders, debtors, and trustees, as part of the Court's district-wide strategic planning process over the course of the last year. It represents an effort to respond to the challenging economic times and, in particular, the large numbers of mortgage defaults and foreclosures in the District, by creating an additional tool for homeowners and mortgage lenders to explore their options and reach mutually beneficial agreements, including where appropriate, mortgage modifications.

Additional information about the Loss Mitigation Program is available on the Court's website at www.nyeb.uscourts.gov.