

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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LEGAL SERVICES ANNOUNCES NEW PRO BONO FORECLOSURE DEFENSE INITIATIVE

EDISON – “Today Legal Services of New Jersey announces a new Foreclosure Defense Initiative, a major effort to recruit at least several hundred *pro bono* attorneys over the year to help meet the enormous legal needs arising from the current foreclosure crisis,” stated Melville D. Miller, Jr., president of Legal Services of New Jersey (LSNJ). “In the first three months of 2008, nearly 12,000 foreclosure complaints were filed in New Jersey – an increase of more than 40% over the first three months of 2007 and more than 100% over the same period in 2006. In March 2008, there were 4,207 foreclosure actions, nearly three times the monthly total just three years ago. This is nothing short of a social and economic crisis for New Jersey. We are calling upon the private bar of the State of New Jersey to assist low-income homeowners facing foreclosure, defending foreclosure actions and bringing affirmative claims against those who wrongfully stripped them of home equity through predatory loans and consumer frauds.”

“LSNJ is immediately commencing this recruitment effort,” Miller emphasized. “Any interested attorney should call Anu Gurnani, *pro bono* coordinator at LSNJ (732-529-8308), to learn more. Between now and the early fall we will have six training

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sessions at locations around the state. The first two will be Thursday, June 19, 2008, from 4:00 p.m. to 7:00 p.m. at the New Jersey Law Center in New Brunswick; and Wednesday, June 25, 2008, from 4:00 p.m. to 7:00 p.m. at Rowan University in Glassboro.”

Space is limited for both events. Pre-registration is required and can be done online at www.ProBonoNJ.org or by contacting Anu Gurnani by phone at 732-529-8308 or email probono@lsnj.org.

According to Peggy Jurow, senior attorney for LSNJ’s Anti-Predatory Lending Project (APLP), “Many people who received sub-prime mortgages, particularly refinancing, may have defenses to foreclosure and the right to a reduction in their mortgage amount or to money damages. But there is a severe shortage of attorneys trained and willing to represent them. In 2006,” she continued, “some 29,000 sub-prime mortgage loans were made. Many of these mortgages will end up in foreclosure this year and next. They will have to be evaluated for defenses, some of which have a three year statute of repose. It is critical that volunteer attorneys step up now and help us preserve home ownership or the defenses may be lost.”

“Many foreclosures are initiated by persons or businesses that do not actually hold the note and mortgage,” added Rebecca Schore, senior attorney for the APLP. “Although courts throughout the state have dismissed these foreclosure complaints, too often homeowners simply cannot find an attorney to assist them. In addition,” she said, “we

have found that many foreclosure defendants have substantial defenses to the foreclosure complaint and many have valuable fee generating counterclaims and third party complaints. Unfortunately, the pool of attorneys traditionally handling these matters is small.”

“In addition to initial training, LSNJ attorneys will be available to answer follow-up questions from attorneys handling cases.” Gurnani indicated. “We will start attorneys new to the legal area with just one case. All court fees are automatically waived, attorneys get *Madden* credit for all time spent on Legal Services *pro bono* cases, and their work on these cases is covered by Legal Services’ malpractice insurance.”

“We hope to develop a new specialty within the bar to help these people, both below and above our income guidelines,” Miller added. “It is important to note that a number of these cases present an opportunity for attorney fees, particularly where some sort of fraud is involved.”

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