

The Honorable Annette M. Rizzo 2009 Recipient of the Louis J. Goffman Award

Since 1989, the Pennsylvania Bar Foundation, the charitable affiliate of the Pennsylvania Bar Association, has recognized and rewarded outstanding pro bono service with the annual presentation of the Louis J. Goffman Award. This year, the Foundation honors the Honorable Annette Rizzo of the Philadelphia Court of Common Pleas and the Philadelphia residential Mortgage Foreclosure Diversion Pilot Program, the city's innovative response to the national mortgage foreclosure crisis that gives low income homeowners a real chance to save their homes from foreclosure.



Judge Rizzo, a cum laude graduate of the University of Pennsylvania, received her jurist doctorate from Temple University School of Law. She practiced in private, government and corporate settings before being commissioned to the bench of the First Judicial District in January 1999, by then Governor Thomas Ridge. Later elected to the bench in November 1999, Judge Rizzo is presently assigned to the Civil Major Jury Program and presides over the residential Mortgage Foreclosure Diversion Pilot Program where she has been described as the program's "heart, soul, mover and shaker."

As the number of mortgage foreclosure complaints filed in the Philadelphia Court neared record levels in early 2008, the Philadelphia Mortgage Foreclosure Steering Committee chaired by then President Judge C. Darnell Jones and Judge Rizzo turned its attention to crafting a solution for low income residents who could no longer continue to pay their mortgages. "Judge Rizzo was the first to understand that the mortgage foreclosure problem was both urgent and extensive in our county," noted Judge Anne Lazarus, chair of the First Judicial District's Pro Bono Committee in her letter supporting Judge Rizzo's nomination. "She understood that all of the players had to be brought to the table and had to 'buy in' to the possible solutions."

First, Judge Rizzo and her colleagues on the Court of Common Pleas created breathing room for the homeowners by working with the Sheriff's Office to issue temporary stays of foreclosure in hundreds of individual cases. Then Judge Rizzo and the committee comprised of representatives from the City Solicitor's Office and Sheriff's Office, attorneys representing lenders and borrowers, housing advisors and community activists set to work to craft a program based on the premise that if you bring homeowners and lenders face-to-face, deals can be struck. Seven weeks later, the residential Mortgage Foreclosure Diversion Pilot Program was ready to begin saving homes in Philadelphia, one address at a time.

Under the pilot program, when a residential mortgage foreclosure complaint is filed, court regulations require that the case be noticed for a conciliation conference before the property can be put up for Sheriff's sale. The homeowner is directed to contact the "Save Your Home Philly Hotline" to schedule an appointment with a housing counselor whose services are provided free of charge courtesy of the city. The homeowner meets with the housing counselor before the conciliation conference to gather and review all the necessary financial information to hand over to the attorney for the plaintiff prior to the conference. On the day of the conference, the homeowner, housing counselor, volunteer attorney for the homeowner and the lender who has been directed to attend with the authority to agree to new terms if deemed appropriate, meet in Judge Rizzo's Courtroom 676, to reach a resolution. At the conclusion of the conference, a court order is handed down indicating the resolution reached. Options include forbearance, a stay of sale, settlement of the entire action, loan modification, loan reinstatement, payment plans and in some cases "graceful" exit, where despite everyone's best efforts, the homeowner cannot remain in the house. Rather than enduring a Sheriff's sale, the lender and homeowner agree to a date to exit the property, and in many cases, the lender provides some additional funds to help the homeowner find an alternative living situation.

Touted as the first city-sponsored plan in the U.S. to broker negotiations between mortgage lenders and homeowners who have fallen behind in their payments, the program was the subject of an October 2008 U.S. Senate Judiciary Hearing called by Senator Arlen Specter. It has been repeatedly covered in the national press and has become the template for programs both within and beyond Pennsylvania's borders.

In addition to crafting this nationally recognized model, Judge Rizzo worked with Community Legal Services, Philadelphia Legal Assistance and Philadelphia VIP to mobilize the private bar to represent low income homeowners on a pro bono basis in the conciliation conferences with housing counselors and lenders. More than 250 attorneys have worked in the program to save homes from foreclosure, thanks to Judge Rizzo's leadership.

At the conclusion of 2008, more than 3000 cases had been scheduled for conference. To date, approximately 2,100 homeowners have come through the program and more than 900 homes have been saved.