Mortgage settlement overseer enlists students

UC Irvine professor starts clinic as part of work as monitor on $25 billion settlement

By Jason W. Armstrong

Three months after Attorney General Kamala Harris tapped her to monitor a landmark mortgage settlement with five of the nation's largest banks, UC Irvine law professor Katherine Porter is taking the unusual step of enlisting law students to help ensure troubled homeowners reap the settlement's benefits.

Porter has begun teaching a first-of-its-kind clinic in which students help homeowners obtain loan modifications; develop and implement plans to monitor banks' compliance with the settlement; and communicate with the public, homeowners and legal advocates about the agreement.

The Consumer Protection Clinic, a partnership between UC Irvine School of Law and the attorney general's office, follows the multistate, $25 billion settlement with lenders in February. Based on the settlement, up to $18 billion could reach California, mostly in the form of accelerated principal reductions and short sales for homeowners.

Loan servicers have agreed to change business practices by giving homeowners a single point of contact and largely ending "dual track" foreclosures, which allow a lender to negotiate with a homeowner while also continuing the foreclosure process. The banks have three years to perform their settlement obligations.

Porter recently started the clinic with three students but will formalize it this fall with "eight or nine students." She'll teach it with Noah Zinner, a visiting professor, and students will also get help from an attorney adviser and several "fellows" - recently graduated students who passed the bar exam.

The idea, Porter said Tuesday, is to "have the students involved in as many aspects of the work as possible, helping with outreach and education to homeowners ... and receiving and tracking and responding to homeowner complaints and inquiries and monitoring bank" responses.

She said the clinic is unprecedented in the U.S. in terms of "offering multiple perspectives on consumer law."

"It will prepare UCI law students for sophisticated careers in law and policy - all while helping distressed homeowners."