

Foreclosure ‘Rocket Docket’ to disappear July 1

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Tina Ellis, right, waits for the start of court cases involving foreclosures in Courtroom 4B Thursday at the Lee County Justice Center in Fort Myers.
(Photo: SARAH COWARD/THE NEWS-PRESS)

The rocket docket —streamlined, high-speed processing of foreclosure cases — is abruptly disappearing in Southwest Florida after six years as the number of new cases continues to decline.

But exactly what that will mean for lenders and delinquent borrowers isn't as clear cut.

After June 30, the state Legislature is no longer funding a statewide program to hire retired judges to work part-time handling the deluge of lawsuits filed by lenders in the wake of the real estate crash that started in 2006.

Funding for the fiscal year that ends June 30 is about \$420,000 for the 20th Judicial Circuit, which includes Lee, Collier, Charlotte, Hendry and Glades counties, circuit spokeswoman Sarah Miles said.

Starting July 1, the circuit will no longer have judges doing foreclosures exclusively, Lee County Clerk of Court Linda Doggett said. “They’re going to roll those cases into the regular dockets and it will slow down the disposition.”

But that won’t create a problem, she said, because these days foreclosures are a minor part of the overall caseload: only 101 new foreclosures were filed in the county courts in April.

That’s a faint shadow of the 2,665 filed in October 2008, the peak of the foreclosure deluge.

Two months later, the circuit implemented the rocket docket and began slowly grinding away at the backlog of cases, which had reached 30,000.

Since then, even the term rocket docket, with its emphasis on speed, has become controversial as the dockets evolved.

“For the past four years no rocket docket has existed in any county of the circuit,” Miles said in an email. “Foreclosures are handled in a judicious manner in terms of setting a reasonable number of cases in a reasonable time period. We have a foreclosure case management system that has effectively reduced the foreclosure backlog while ensuring due process of all parties.”

By April, the number had fallen to 1,853, the lowest since before the crash.

Jeff Tumbarello, owner/broker of Steelbridge Realty LLC and director of the Southwest Florida Real Estate Investment Association, has tracked the numbers of foreclosures and the backlog since the crash.

The rocket docket’s time has passed, he said. “They really don’t need it anymore.”

Even the low numbers nowadays for the backlog probably overstate the actual situation, he said. “How many are in bankruptcy so they’re not going anywhere? How many are short sales that have already happened?”

The waves of foreclosed and short sold homes that fueled a massive increase in home sales had already slowed to a trickle, Tumbarello said. “The distressed market’s about 14 percent of the total.

As the rocket docket fades into history, it’s getting mixed reviews from those who were there.

“You just can’t say what a great job they’ve done of processing and handling those cases,” Tumbarello said. “They did a pretty amazing job dealing with the paperwork.”

Fort Myers-based attorney Kara Jursinski, who handles a lot of foreclosure cases, said the system moved cases quickly but sometimes at a price to both lender and debtor.

“They were pushing them toward foreclosure pretty quickly even if they were trying to work out an agreement,” she said, and sometimes a foreclosure “wasn’t in their best interests overall.”

Also, Jursinski said, “I thought it was expensive for our clients” because lawyers for both side had to appear every 30 days “even if nothing was happening.”

Still, the effects weren’t all bad, she said. “If you don’t have that driving force, you may have trouble coming to a resolution” as one side or the other dawdled.

It’s hard to tell how the loss of the rocket docket will affect how the courts handle foreclosures, Jursinski said. “All we know is there’ll be an influx of cases going into the other, traditional, dockets.”

Former Lee Clerk of Court Charlie Green, one of the early proponents of the rocket docket, said it succeeded in dealing with the huge wave of foreclosures.

He added that it’s important to remember that the foreclosures were the result of lax lending standards by banks when the boom was underway.

“When you have the kind of lending practices we had going on in the early to mid first decade of this century, you’re going to have a lot of bad things happen,” he said. “A lot of people borrowed money when they shouldn’t.”

Even though lenders made a lot of bad judgments, he said, it ultimately came down to accountability for the borrowers.

“A lot of people just got blasted,” Green said. “But at the same time, where was the personal responsibility?”

By the numbers

2,665 foreclosure lawsuits were filed in Lee County in October 2008, highest in history

101 were filed in April

30,000 foreclosure suits were backed up in the Lee court system by late 2008

1,853 cases were backlogged as of April

Southwest Florida Real Estate Investors Association; Lee Clerk of the Court