



NEW YORK STATE SENATOR

Diane J. Savino

Senate passes legislation to hold owners of foreclosed homes accountable for their upkeep

DIANE J. SAVINO March 23, 2009

Would Allow Municipalities and Homeowner Associations to Enforce Provisions of the Bill to Protect the Public and Property Values.

Savino Urges Assembly to Pass House Version

ALBANY-- Senator Diane J. Savino (D-Brooklyn/Staten Island) said a foreclosed home offers its owner no excuse to let it go into disrepair, and has the responsibility of maintaining a vacant home to prevent any chance of fire, criminal activity or depressed property value.

“Properties that have fallen into disrepair become neighborhood eye soars,” said Senator Savino. “They make residents feel uncomfortable in their own neighborhood, and scare off would-be home buyers and drive down the value of neighbors’ homes.”

With foreclosures a growing crisis on Staten Island, more and more homes are being abandoned, unkept. Senator Savino co-sponsored Senate Bill 1182 - proposed by Senator Jeffrey D. Klein (D-Bronx) -which would require owners of foreclosed homes in a mortgage foreclosure action, to maintain them in a safe and habitable condition. The bill requires owners of foreclosed homes to keep up their houses until sold, occupied by another renter or

legally disposed of. The municipality in which a foreclosed property is located, or a homeowners association of the property is subjected to its rules and regulations, shall have the right to enforce the provision of the bill.

“Owners of foreclosed homes have a responsibility to maintain their houses, not just to preserve the character of the community but also for the public’s safety,” Senator Savino said.

Indeed, a study produced by the Senate Democratic Conference, last May, showed a correlation between foreclosures and crime. According to the report, for every 100 owner-occupied properties in one year there are 2.8 foreclosures which directly correspond to an increase in neighborhood violent crime by approximately 6.7%. Homeowners living near foreclosed properties will see their property values decrease by \$5,000 on average per each foreclosed home. Overall, 40.6 million neighboring homes in the United States will experience devaluation because of sub-prime related foreclosures in the surrounding area.

"As the foreclosure crisis spreads, we are not only seeing the tragedy of individual families lose their homes, but also a drop in the value and quality of life of the surrounding neighborhoods," said Senator Savino.

Foreclosures on Staten Island jumped 7 percent in February, to 174, according to the data from RealtyTrac, which appeared in a recent story by the Staten Island Advance. The Advance story also stated that a report by the Furman Center of Real Estate and Urban Policy at New York University found that Staten Island was the first borough to feel the housing downturn when prices peaked in 2005, flat-lined in 2006 and fell in 2007.

Senate Bill 1182 has been referred to the Assembly judiciary committee for further review.