



NEW YORK STATE SENATOR

Diane J. Savino

NYS Foreclosure Prevention Services Program Campaign

DIANE J. SAVINO February 1, 2012

| ISSUE: **FORECLOSURE**

Thousands of Distressed Homeowners Will Be Left in the Lurch—and Communities Devastated – by Imminent Loss of State Funding for Foreclosure Prevention Housing Counseling and Legal Defense

Elected Officials, Advocates and Homeowners Call for

Funding in New York State's Budget for Foreclosure Prevention

Albany, N.Y., January 31, 2012 - Today elected officials, including New York State Senators David Carlucci (Rockland), Adriano Espaillat (Upper Manhattan), Mark Grisanti (Buffalo), Jeffrey D. Klein (Bronx/Westchester), Diane J. Savino (Staten Island/Brooklyn), Malcolm A. Smith (Brooklyn) and David Valesky (Syracuse), and Assemblymembers James D. Conte (Nassau/Suffolk), Guillermo Linares (Upper Manhattan), Vito J. Lopez (Brooklyn), Francisco P. Moya (Queens) and Helene E. Weinstein (Brooklyn) and other legislators along with non-profit housing counseling and legal services organizations held a press conference at the Legislative Office Building to call on Governor Cuomo to restore \$25 million for the statewide Foreclosure Prevention Services Program in his 30 day amendments to the Executive Budget.

At the press conference and throughout the day, advocates delivered “keys” to all Assemblymembers and Senators for the counties each serves. Each key is attached to a luggage tag reflecting the number of homes in that county at risk of foreclosure, noting the \$245,000 negative economic impact for each foreclosed home, and urging the legislators to support funding for the Foreclosure Prevention Services Program. The incredibly cost-effective state program that provides housing counseling and legal services to struggling homeowners is scheduled to be shuttered in April 2012, despite recent reports indicating that New York is at best only half-way through the foreclosure crisis.

“The foreclosure crisis is far from over in New York,” said Senator Jeffrey D. Klein (Bronx/Westchester). “These programs are on the front lines of keeping people in their homes and keeping our communities safe from the ripple effects that come with having a boarded up house on the block. Keeping them going is not only important, but vital to keeping New York on the right track.”

Nearly 250,000 homeowners of owner-occupied 1-4 family homes are in foreclosure or serious delinquency in New York. This foreclosure crisis continues to have devastating effects on communities across the State - abandoned homes and neighborhood blight create magnets for crime and severely depress nearby home values - affecting not just the homeowners and their tenants whose homes are lost to foreclosure, but communities as a whole, as local tax bases are degraded and municipalities are left with reduced revenues available to keep local government functioning.

"Anyone who remembers the bad old days of New York City remembers that with each boarded up home, comes crime, comes drugs, and comes the lowering of the quality of life for everyone who lives nearby," said Senator Diane Savino (Staten Island/ Brooklyn). "These foreclosure prevention programs are critically important to not only keep people in their homes, but also to preserve the progress made in our neighborhoods."

The services provided by the Foreclosure Prevention Services Program are essential to preserving New York's economic security and recovery. Over four years, approximately \$50 million was appropriated for housing counseling and legal services providers across the State. With this modest investment, to date, over 80,000 homeowners have been assisted and at least 14,000 homes have been saved from foreclosure. This translates to over \$3.4 billion in property value and tax base preserved, and a return of \$68 for every \$1 invested in the program - a dramatic savings in the time of austerity budgets. Without continued funding, many programs around the State will be forced to shut their doors, leaving homeowners to fend for themselves in a complicated and often overwhelming process.

Foreclosure prevention funding will provide that critical safety net for thousands of residents right here in the Hudson Valley," said Senator David Carlucci, (Rockland/ Orange). "Rockland and Orange Counties are still suffering from the devastating effects that rocked the housing market. This is a life saving program that will also save millions of dollars in revenue for local governments and ensure that home values in our communities remain stable. I would like to thank Governor Cuomo for his commitment to this vital program and look forward to working with him and my colleagues during this legislative session."

"Preserving a home through loan modification requires a homeowner to navigate a fundamentally flawed labyrinth of bank ineptitude leading to multiple document submissions, contradictory notices, and wrongful denials," observed Justin Haines, Director of Foreclosure Prevention at Legal Services NYC - Bronx. "The banks' bad behavior, including robo-signing bad ownership documents, delaying tactics, failing to file paperwork required by the courts to schedule settlement conferences for homeowners, and hiring foreclosure mill law firms that disregard the dignity and rights of homeowners, is well documented,"

Rhoda Carter, a client of MFY Legal Services and housing counseling provider Asian Americans for Equality, agrees, "It is impossible for an ordinary citizen to cut through the red

tape and bureaucracy. I was terrified about what would happen to me and my home if I lost my legal services lawyer and housing counselor." Even though the foreclosure action filed against Ms. Carter was kicked out of court because the securitized trust that claimed to own her mortgage loan didn't, it took Ms. Carter's advocacy team almost another year to obtain a loan modification for her.

Elected officials, housing counselors, foreclosure defense legal services, and New York homeowners join Mehmet Nabi Israfil, a client of Legal Services NYC - Bronx, in "urgently and forcefully requesting that Governor Cuomo continue funding for foreclosure prevention services." Advocates urge that, without the essential services provided across the state through housing counselors and legal service providers, the consumer protections established by the New York State legislature over the past three years will be rendered meaningless. Unless this funding is restored to the budget, New York look forward to continued wrongful foreclosures, deeply underwater homes, loss of home values, erosion of local property tax bases, and increased homelessness.

Sponsors of the event include:

Affordable Housing Partnership of the Capital Region

Albany County Rural Housing Alliance, Inc.

Asian Americans for Equality

Belmont Housing Resources for WNY, Inc.

Better Neighborhoods

Bridge Street Development Corporation

Brooklyn Neighborhood Improvement Association

CAMBA

Center for NYC Neighborhoods (CNYCN)

Chaaya

Changer, Inc.

City Bar Justice Center

Community Development Corporation of Long Island

Community Loan Fund of the Capital Region, Inc.

Community Housing Innovations, Inc.

Cypress Hills Local Development Corporation

Economic Opportunity Council of Suffolk, Inc.

Empire Justice Center

Erasmus

Greater Sheepshead Bay Development Corporation

Grow Brooklyn

Habitat for Humanity – New York City

Harlem Congregations for Community Improvement, Inc. (HCCI)

HomeSave Coalition

Housing Action Council, Inc.

Housing Resources of Columbia County

Hudson River Housing, Inc.

Human Development Services of Westchester

JASA/Legal Services for the Elderly in Queens

La Fuerza Unida, Inc.

Legal Aid Bureau of Buffalo, Inc.

Legal Aid Society of Mid-New York, Inc.

Legal Aid Society of Northeastern New York

Legal Aid Society of Rochester

Legal Assistance of Western New York, Inc.

Legal Services for the Elderly, Disabled or Disadvantaged of WNY

Legal Services of the Hudson Valley

Legal Services NYC

Legal Services NYC – Bedford Stuyvesant Community Legal Services

Legal Services NYC – Bronx

Legal Services NYC – Brooklyn Legal Services Corp. A

Legal Services NYC – Brooklyn Branch

Legal Services NYC – Queens Legal Services

Legal Services NYC – South Brooklyn Legal Services

Legal Services NYC – Staten Island Legal Services

LIFE, Inc. dba New York Mortgage Advocates

Long Island Housing Services, Inc.

Margert Community Corporation

Marketview Heights Association

MFY Legal Services, Inc. (MFY)

Midwood Development Corporation

MinKwon Center for Community Action

Nassau Suffolk Law Services

Neighborhood Economic Development Advocacy Project (NEDAP)

Neighborhood Housing Network

Neighborhood Housing Services (NHS) of Bedford-Stuyvesant, Inc.

Neighborhood Housing Services (NHS) of East Flatbush, Inc.

Neighborhood Housing Services (NHS) of Jamaica, Inc., Inc.

Neighborhood Housing Services (NHS) of New York City, Inc.

Neighborhood Housing Services (NHS) of North Bronx, Inc.

Neighborhood Housing Services (NHS) of Northern Queens, Inc.

Neighborhood Housing Services (NHS) of South Bronx, Inc.

Neighborhood Housing Services (NHS) of Staten Island, Inc.

Neighbors Helping Neighbors

NeighborWorks Alliance of NYS

NeighborWorks HomeOwnership Center of Dutchess County

New York Mortgage Coalition

New York Legal Assistance Group (NYLAG)

NYS Rural Advocates

Parodneck Foundation

Putnam County Housing Corporation

Queens Bar Association – Queens Volunteer Lawyers Project, Inc.

Pratt Area Community Council (PACC)

Rensselaer County Housing Resources

Ridgewood Bushwick Senior Citizens Council

Rural Ulster Preservation Company

Southern Tier Legal Services

The Legal Aid Society

Troy Rehabilitation & Improvement Program

UNHS NeighborWorks HomeOwnership Center

Urban Justice Center

Westchester Residential Opportunities, Inc.

Western New York Law Center

West Side Neighborhood Housing Services