



NEW YORK STATE SENATOR

Malcolm Smith

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MALCOLM A. SMITH June 6, 2012

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(St. Albans, NY)- Governor Andrew Cuomo has signed into law legislation authored by Senator Malcolm A. Smith (D-St. Albans) and Assemblywoman Annette Robinson (D-Brooklyn) which will help stem the tide of mortgage foreclosure.

“Southeast Queens is a breeding ground for fraudulent mortgages,” said Senator Smith. “This trend is completely unacceptable and I am confident that this new law will greatly impact enforcement on deceptive and abusive practices in the lending industry.”

A 2010 study by the mortgage and real estate data company First American CoreLogic analyzed 80 million loans from Maine to Malibu, from 2004 through 2009. The results indicated that a section of South Jamaica has the highest concentration of bogus loans in the nation, with zip code 11436 being the absolute worst.

Assemblywoman Annette Robinson said: “Brooklyn has also been the victim of predatory lending and deceptive practices. Over the years resources have been extended to people that have been victimized due to foreclosure, however, this piece of legislation codifies that the mortgage brokers do the right thing.” Senate Bill 3779/ Assembly Bill 9123, tightens the mortgage banker licensing exemption, helping to prevent and address problems resulting from unregulated residential mortgage loans which are not subject to existing consumer protections.

Senator Smith concluded that “This type of legislation is long overdue and will help to reduce the number of foreclosures in Southeast Queens. It will also encourage and promote increased cooperation with appropriate agencies to learn of unauthorized lenders and lending practices and most notably, it will also crack down on illegal conduct to protect both the consumers and the lenders who are victimized by these practices.”