



NEW YORK STATE SENATOR

Terrence Murphy

Foreclosing on the financial crisis, Murphy, A.G., announce Wall Street Banks will pay

TERRENCE MURPHY May 26, 2016

JEFFERSON VALLEY, NY - Senator Terrence Murphy today joined Attorney General Eric T. Schneiderman in announcing a \$100 million expansion of efforts to provide no-interest loans to help New York families avoid foreclosure and stay in their homes. The expansion, funded by the Attorney General's April settlement with Goldman Sachs over the bank's deceptive practices leading up to the financial crisis, is expected to help more than 3,000 families across the state pay off small debts that are preventing them from securing a needed mortgage modification.

"Big banks caused the financial crisis and its high time they paid up for the damage that they caused," Murphy said. "They're not too big to pay."

A new analysis released by the Attorney General's Office also showed that the Mortgage Assistance Program (MAP), the first phase of these efforts, has already had a significant positive impact on families that live near a MAP loan recipient because foreclosed homes often drag down the property value of other nearby homes. According to the analysis, every \$1 in loans preserves about \$8.50 in property values for homeowners within 750 feet of the MAP loan recipient.

"Since taking office, my number one priority has been getting New Yorkers the resources they need to rebuild from the housing crisis," Attorney General Schneiderman said. "This new investment in the MAP program will help thousands of New York families keep their homes and rebuild their communities. This program is already having an incredible impact in communities throughout the state and I am excited to expand it to even more families."

Since MAP began in late 2014, the \$18 million in loans given out have already preserved \$153 million in property values for nearby homeowners. The new \$100 million is estimated to save an additional \$722 million, after accounting for administrative program costs.

All told, these no-interest loans are expected to preserve a total of \$875 million in property values for nearby homes by the time every loan has been disbursed.

Even families with reliable income streams are often denied mortgage modifications because they have a series of missed mortgage payments, delinquent second or third mortgage liens, or unpaid property tax bills which must be satisfied before a first mortgage holder will grant a modification. MAP provides loans that fill the gaps for struggling families, empowering them to negotiate with their mortgage holders and ultimately remain in their homes.

The analysis of the program, conducted by the Center for NYC Neighborhoods, looked at each individual recipient of a MAP loan and determined the property value preserved for every home within 750 of the loan recipient because the loan recipient had not gone into foreclosure.

"I am very grateful to Attorney General Schneiderman for creating the MAP program," said Miguel Ortiz, 84, a Pleasantville resident whose home was saved thanks to a MAP loan. "And I was very lucky to find Westchester Residential Opportunities who walked me through this process, and made it possible for my wife and I to continue building memories with our

family in the only place we have ever called home."

MAP provides homeowners with small loans which are non-amortizing and carry no interest rate. The loans only come due upon sale of the home, refinance, death of the borrower, transfer of ownership, or mortgage maturity.

MAP, which is funded through settlements with the big banks for their roles in the housing crisis, builds on the success of the Homeowner Protection Program (HOPP). HOPP, a network of roughly 90 housing counselors and legal service providers to help at-risk homeowners across New York to avoid foreclosure, has already helped more than 60,000 New York families. Applicants for MAP loans must connect with a free HOPP counselor to begin the application process.

"The Hudson Valley is one of the most costly regions in the country to live and raise a family and this program assists those in financial distress keep a roof over their families' heads," Murphy said. "I support any program that will ease the crushing burden put on New York's overtaxed middle class families."

For more information on how to apply for MAP loans, call 855-HOME-456 or visit AGScamHelp.com.