



NEW YORK STATE SENATOR

Velmanette Montgomery

Montgomery / Weinstein “Deed Theft Bill” Passes Legislature And Awaits Signature Of The Governor

VELMANETTE MONTGOMERY April 2, 2019

| ISSUE: DEED THEFT AND EQUITY THEFT, HOMEOWNER HARASSMENT, PRESERVING AND PROTECTING GENERATIONAL WEALTH, PROTECTING NY HOMEOWNERS, REDLINING AND PREDATORY PRACTICES



APRIL 2, 2019

FOR IMMEDIATE RELEASE

MONTGOMERY / WEINSTEIN “DEED THEFT BILL” PASSES LEGISLATURE AND AWAITS SIGNATURE OF THE GOVERNOR

Senator Montgomery's "Deed Theft Bill" (S1688/A5615 - Weinstein) passed the Senate and now awaits the Governor's signature. This legislation would strengthen and expand upon the Home Equity Theft Act of 2006 ("HETPA") by providing greater protections for owners of homes that are either in default or in foreclosure. It also strengthens laws regulating distressed property "consultants" who provide services to prevent property loss.

Fraudulent companies target seniors, homeowners struggling financially, and for whom English is not their first language. They often offer unsolicited assistance with foreclosure or modifications, sometimes claiming that the victim's home is already up for auction. They are sophisticated operators who take advantage of loopholes in the law by associating themselves with law firms that allow them to avoid legal repercussions.

Homeowners believe these companies will represent them honestly. They often inadvertently sign away the deeds to their homes, sometimes not realizing the mistake until years later. Unfortunately, it seems to be all too easy for fraudulent companies to mislead, defraud and outright steal property from homeowners. But reversing it is nearly impossible when homeowners, many of whom are already struggling, have to take on the cost and time of a lawsuit.

The "Deed Theft Bill" addresses these issues by:

- Prohibiting abusive and deceptive behaviors such as pretending to be law enforcement or government representatives, taking temporary ownership of a deed, or engaging in harassment of the homeowner or the homeowner's family

- Eliminating the requirement that a homeowner post a bond in order to file a lawsuit to stop a deed transfer.
- Prohibiting loan modification consultants from requiring upfront fees for services.
- Extending the amount of time a homeowner has to rescind transactions with distressed property consultants from 5 days to 14 days.
- Providing a clear legal path to restore the title of a property when there has been a criminal conviction based on fraudulent actions concerning a property transfer.

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“Passing the Deed Theft Bill is a major step forward in addressing one of the most pressing issues among homeowners. These thieves target our most vulnerable homeowners and snatch generations of wealth from our families. For every one that thinks to call their elected officials or speak out, I know there are a dozen more who do not know where to turn,” said State Senator Velmanette Montgomery. “I am so thankful for the support of my colleagues and the tremendous work that the advocates have put in to get this done.”

“This is such a huge win for Brooklyn and our state. Fraudulent companies have targeted our homeowners for far too long. By passing the Deed Theft Bill, we are moving forward to strengthen protections for homeowners, families and communities,” said Assemblymember Tremaine Wright

“As the wrongful property seizure crisis threatens the future of families across Brooklyn, I’m so very grateful to State Senator Montgomery, Assembly Member Weinstein, and my colleagues in the State Legislature who have acted decisively to strengthen protections against those seeking to commit deed theft and mortgage scams,” said Brooklyn Borough President Eric Adams. “This legislation will assist homeowners in our city and state who are

being preyed upon by bad actors, so many of whom live in communities of color at risk of losing significant generational wealth. Our work continues to build upon our investigations, to get and remain one step ahead of scammers and thieves, and I renew my commitment to that ongoing fight as we mark this legislative milestone.”

“Far too many New Yorkers have been preyed upon by unscrupulous actors who steal the deeds to their homes,” said Attorney General Letitia James. “This bill is an important step towards protecting homeowners and ensuring that they are not illegally stripped of one of their most valuable and important possessions. I thank Senator Montgomery for advancing this critical piece of legislation that will help to hold these scammers accountable.”

The New York State Attorney General has indicated that her office receives more deed theft complaints from Brooklyn than the four other boroughs combined and deed fraud scams disproportionately impact homeowners of color. They are highly concentrated in the rapidly gentrifying areas of Bedford Stuyvesant, Crown Heights, Flatbush and Brownsville.

The passage of this legislation comes less than a month after Senator Montgomery, Brooklyn Borough President Eric Adams and Assemblymember Tremaine Wright hosted a legislative hearing to examine Brooklyn’s home ownership crisis, responding to the many homeowners who lost their property and equity and have been left without support.

Contact:

Shakti Robbins-Cubas

State Senator Velmanette Montgomery

cubas@nysenate.gov

RELATED LEGISLATION

2019-S1688

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate

- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ◦ Passed Assembly
 - Passed Senate

- Delivered to Governor

- Signed By Governor

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Provides for the regulation of distressed home loans

January 15, 2019

Senate Floor Calendar

Sponsored by **Velmanette Montgomery**

Do you support this bill?