



NEW YORK STATE SENATOR

Brian Kavanagh

## Federal, State Lawmakers Propose Substantial Mortgage Relief Plan For New York Homeowners

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## FEDERAL, STATE LAWMAKERS PROPOSE SUBSTANTIAL MORTGAGE RELIEF PLAN FOR NEW YORK HOMEOWNERS

Congresswoman Rice Joins State Senators Kaminsky & Kavanagh in Proposing Legislation to Extend Mortgage Payments for Homeowners Affected by COVID-19

(Long Island, New York) — **Congresswoman Kathleen Rice, along with State Senator Todd Kaminsky and State Senate Housing Chair Brian Kavanagh are proposing substantial relief options for New York homeowners struggling to make mortgage payments as a result of the COVID-19 health crisis.**

As part of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act homeowners are able to delay payments on federally backed mortgages up to 180 days in “forbearance”. At the state level, Governor Cuomo signed executive order [202.9](#) which grants forbearance for 90 days to homeowners. At the end of this grace period, people will have to make the missed payments while still dealing with the immediate financial effects of the pandemic.

**On April 20, Senators Kavanagh and Kaminsky introduced a bill that confronts this growing problem by giving homeowners the ability to extend the life of their mortgage by however long their payments were in forbearance, which will provide immediate relief and allow people to payback lenders with dramatically less financial strain.**

For example, if a mortgage is scheduled to end in June 2040 and the borrower now foregoes three months of payment, the mortgage payments would be extended to September 2040.

**“Our goal as policymakers should be to offer homeowners as many flexible options as possible to suit each individual family’s needs,” the trio of lawmakers wrote in a *Newsday* editorial on April 20. “This [proposal] allows homeowners to catch up on their payments at their convenience, without fear of foreclosure actions or damage to their credit. For many, it could be the difference between losing their homes and keeping them.”**

Rep. Kathleen Rice is supportive of including provisions in the next federal stimulus package to broaden forbearance relief for all homeowners and multifamily property owners to include those who do not have federally owned or backed mortgages and to prohibit servicers from demanding a full, one-time lump sum payment after the forbearance period.

“I’ve heard from countless homeowners who are struggling to make mortgage payments due to the COVID-19 pandemic,” said **Rep. Kathleen Rice**. “During this unprecedented crisis, Long Islanders should be solely focused on keeping their families safe and healthy, not worried about losing their homes. I thank State Senators Todd Kaminsky and Brian Kavanagh for their leadership on this proposal to give Long Island homeowners the financial relief they desperately need.”

This pandemic has far reaching effects on multiple industries, but for Long Island homeowners particularly, the impact it’s having on mortgages is particularly disastrous. According to a recent study, Suffolk County residents require 55 percent of their income to afford an average-priced home. In Nassau, the number is even more staggering, with the average home costing residents 65 percent of their income.

Due to these alarming figures, the need for increased protections on both the federal and state levels is critical to ensuring a financially viable future for people while avoiding another housing collapse, the lawmakers argued.

“Our priority is protecting the people of our districts and making sure that they come out of this crisis healthy and financially secure,” **Senator Kaminsky said**. “This bill will help ensure that outcome and provide real relief for homeowners.”

“Not only is COVID-19 taking many lives and threatening the health of New Yorkers; it is also causing severe economic harm,” stated **Senator Kavanagh**. “Allowing homeowners to postpone

their payments to the end of their loan will relieve the financial stress that many are feeling. This legislation is part of our larger effort to develop solutions that will ease the burden by ensuring that New Yorkers' homes--whether they are renters or homeowners--remain secure. It will contribute to a rapid recovery once the public health crisis passes."

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