



NEW YORK STATE SENATOR

Brian Kavanagh

NYS Legislators Urge US Senate Leaders to Extend COVID-19 Mortgage Forbearance to Homeowners with Federally Regulated Loans

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NYS Legislators Urge Senate Leaders McConnell & Schumer to Support Legislation to Extend Mortgage Forbearance Protections to Every Homeowner in the Country

New York, NY – A bipartisan group of more than 50 New York State legislators, led by State Senators Brian Kavanagh and Todd Kaminsky and Assemblymember Nily Rozic, penned a letter to U.S. Senate Majority Leader Mitch McConnell and U.S. Senate Minority Leader Charles E. Schumer urging them to support federal legislation to extend mortgage forbearance protections to every homeowner in the country.

The group pointed to a mortgage forbearance bill passed by the New York State Legislature and signed into law by Governor Andrew Cuomo on June 17th as a model. Under the New York State law, those with mortgages through New York state-regulated financial institutions will receive forbearance for a period of up to 180 days, plus an additional six months if needed, and will have the option of postponing those payments until the end of the loan term or amortizing the deferred payments over the life of the loan.

The group noted that while the New York State law will help keep tens of thousands of New Yorkers with state-regulated mortgages from losing their homes, a large majority of homeowners in New York and around the nation hold mortgages that are not issued or serviced by a financial institution regulated by the state in which they live. “We are therefore calling on you to support legislation that would extend these protections to every homeowner in the country, regardless of who issued or services the loan,” the group said in the letter.

“As various states, including New York, reopen our economy, thousands of people are still facing a dire financial future and the last thing they should be worrying about is how they will make their mortgage payments once the dust settles,” said Senator Kavanagh, Chair of the New York State Senate Housing Committee. “This legislation provides real relief to our neighbors and ensures they come out of this pandemic healthy—both literally and financially. I urge our United States Senate leaders to enact these provisions on the federal level and apply them to all home mortgages Congress has jurisdiction over, not just those

that are backed by federal agencies. Doing so will help relieve the financial stress that many homeowners are currently facing and contribute to a rapid recovery once this public health crisis passes.”

“Protecting Long Island homeowners during this period of economic turmoil is essential,” said Senator Todd Kaminsky. “That’s why I worked with my colleagues to pass strong protections for homeowners into law, giving New Yorkers with state-backed loans the ability to defer their mortgage payments. I urge Congress to follow our lead and provide mortgage forbearance protections for every American homeowner as our nation continues its recovery from the COVID-19 crisis.”

“With the COVID-19 pandemic continuing to cause unprecedented financial hardship, homeowners deserve the ability to make the soundest financial decisions,” stated Assemblymember Nily Rozic. “This legislation will give homeowners options to catch up on their payments without additional financial strain, fear of foreclosure actions, or damage to their credit. This change will go a long way to help many New Yorkers stay in their homes in the face of an economic recession.”

The group applauded actions already taken by the House of Representatives to address this crisis. The Health and Economic Recovery Omnibus Emergency Solutions Act (H.R. 6800, or “the HEROES Act”), which the House recently passed, includes the provisions of the COVID-19 Mortgage Relief Act (H.R. 6741 - Clay), which would provide mechanisms similar to the State legislators called for, for every homeowner in America to both receive forbearance and to delay repayment of that forbearance well into the future, as now allowed by the New York State law.

The HEROES Act also prohibits any negative credit reporting resulting from the election of any forbearance option; and it ensures that homeowners will not be charged additional fees

or penalties, or be forced to pay any more interest than they would have paid under their original loan agreement.

The group also acknowledged Senator Schumer's work in ensuring that the CARES Act addressed New Yorkers' needs, as well as his support of the provisions in the HEROES Act. They called upon Senators Schumer and McConnell to work together with Senators of their respective parties to ensure mortgage forbearance legislation is enacted as soon as possible.

For a copy of the letter click the link above.

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