



NEW YORK STATE SENATOR

Timothy M. Kennedy

## Senator Tim Kennedy and Assemblymember Monica Wallace Announce Passage of Legislation to Help Municipalities Hold Mortgage Servicers Accountable For Maintenance of Residential Properties in Foreclosure

TIMOTHY M. KENNEDY July 23, 2020

| ISSUE: **FORECLOSURE**



ALBANY, NY -- Senator Tim Kennedy (D-Buffalo) and Assemblymember Monica Wallace (D-Lancaster) announced Wednesday that their legislation (A.6976 and S.4190) to help municipalities hold mortgage servicers accountable for maintenance of residential properties in foreclosure passed the Legislature this week. Their legislation requires

mortgage servicers to provide their name and contact information at multiple points during foreclosure proceedings involving one- to four-family residential properties. This requirement will give local government officials an easy and efficient way to contact mortgage servicers to ensure that maintenance obligations are enforced on residential properties in foreclosure.

In the wake of the 2008 housing crisis, thousands of homeowners across the state lost their homes due to foreclosure. Years later, many of these so-called “zombie properties” became blighted, as many mortgage servicers failed to perform basic maintenance and upkeep on properties for years as the parties went through foreclosure proceedings. As issues like overgrown grass, broken windows, peeling paint, and water damage accumulated at these vacant properties, neighbors suffered from the effects of blight, including depressed property values, squatting, and influxes of vermin and crime. These zombie properties also created eyesores in otherwise beautiful and beloved neighborhoods and placed undue burdens on local governments.

The purpose of this legislation is to help local governments easily identify who is responsible for maintaining the property. Municipalities often struggle to identify the mortgage servicer that is responsible for maintaining a vacant and abandoned property. By requiring mortgage servicers to provide their name and contact information at numerous points during the foreclosure process, this legislation empowers local governments to hold mortgage servicers accountable if they fail to perform the basic maintenance necessary to keep foreclosed residential properties in safe and habitable condition.

“Too many times, residents have felt helpless as they watch zombie properties deteriorate their neighborhoods, causing their property values to plummet. Through this legislation, New York State is empowering municipalities across New York State to hold mortgage lenders accountable,” said **Senator Kennedy**. “By requiring these institutions to provide their

names and contact information prominently during foreclosure proceedings, municipalities will be able to more effectively ensure these problem properties are documented, tracked, and remediated as quickly as possible, so that our neighborhoods can be restored to their original character and charm.”

“When mortgage servicers neglect their obligations to keep their properties in foreclosure in safe and habitable condition, it’s the neighbors and local governments that suffer,” said **Assemblymember Wallace**. “This legislation gives local governments an easy and efficient way to contact mortgage servicers to ensure that their maintenance obligations are enforced. By doing so, we are protecting neighborhoods from unsightly and potentially dangerous conditions created by zombie foreclosures.”

“One of the biggest issues municipalities have in enforcing the Zombie Foreclosure law is knowing what servicer to hold responsible for maintaining the vacant and abandoned property,” said **Kate Lockhart, Vacant and Abandoned Property Program Director at the Western New York Law Center**. “Some banks and mortgage servicers are proactive in their maintenance of Zombie properties, but there are still many servicers that wait to be forced into compliance by a municipality. By requiring the servicer’s information be listed within several of the foreclosure documents throughout the process, we make it easier for municipalities to weed out bad actors. We at the Western New York Law Center are grateful for our partners in government, Senator Kennedy and Assemblymember Wallace, for their dedication to the elimination of blight in our communities and the preservation of neighborhoods.”

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RELATED LEGISLATION

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## 2019-S4190

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- 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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Relates to including the name and telephone number of the mortgage servicer for a plaintiff in a mortgage foreclosure action on certain documents pertaining to such action

March 04, 2019

Signed by Governor

Sponsored by **Timothy M. Kennedy**

Do you support this bill?

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