



NEW YORK STATE SENATOR

Jose M. Serrano

## Senate Majority Passes Strongest Eviction Moratorium in the Nation

JOSE M. SERRANO December 28, 2020



Today Senator José M. Serrano and the Senate Democratic Majority held a Special Session to pass the COVID-19 Emergency Eviction and Foreclosure Prevention Act. This is the strongest legislation in the nation to block eviction proceedings and will help ensure New York renters and homeowners can stay in their homes if they are facing hardships due to the pandemic. The Bill is sponsored by Senate Housing Committee Chair Senator Brian Kavanagh and co-sponsored by Senator Serrano.

**“Millions of New Yorkers are experiencing unprecedented challenges due to COVID-19— housing insecurity should not be one of them,” said Senator José M. Serrano. “Today’s actions will ensure that tenants, homeowners, and small landlords are able to keep their homes as we face the economic crisis caused by this pandemic, and will provide relief for so many New Yorkers in my district as we continue to combat this disease.”**

The legislation states that any pending eviction proceedings, or any commenced within 30 days of the effective date of this legislation, will be stayed for at least 60 days to give tenants an opportunity to submit the hardship declaration. This effectively implements a two-month moratorium to ensure New Yorkers in need are able to take advantage of this legislation and the protections it provides.

### **Standardized Hardship Declaration**

This historic legislation creates a Standardized Hardship Declaration Form, which tenants can submit to their landlord or court to prevent or halt an eviction if they have a financial hardship related to, or during COVID-19 that prevents them from being able to pay their rent in full or move; or if someone in the household is at increased risk of severe illness from COVID. The form allows tenants to declare financial hardship if they have lost income; have increased health, child care, or other family care expenses; have been unable to obtain meaningful employment because of circumstances relating to COVID-19; or cannot afford moving expenses.

Once a tenant has signed this form, they may return it to their landlord or to a court to prevent a landlord from filing an eviction or suspend an eviction proceeding already underway until May 1, 2021, in addition to other protections.

### **Foreclosure Protection for Property Owners**

This bill also provides protections against foreclosure and tax lien sales to any residential property owner that owns ten or fewer dwelling units, including their own primary

residence. Property owners will be able to access foreclosure and tax lien sale protection by filing a Standardized Hardship Declaration Form with their mortgage lender, local assessor or to court, similar to that created by the eviction protection proposal. The owner will declare, under penalty of perjury, a financial hardship that prevents them from paying their mortgage or property taxes because of lost income, including reduction in rent collections; increased expenses; or the inability to obtain meaningful employment. Landlords with more than ten total units are excluded from these protections.

### **Preventing Credit Discrimination**

The COVID-19 Emergency Eviction and Foreclosure Prevention Act protects a property owner from credit discrimination if the owner has fallen behind on mortgage payments on the property at which they reside or because they have received a stay of mortgage foreclosure, tax foreclosure, or tax lien sales on the property under this legislation

- Homeowners will use the same Hardship Declaration to avoid credit discrimination based on their mortgage arrears on the property at which such owner resides.
- The legislation limits these new protections only to single home residences, co-ops, owner-occupied multifamily primary residences with one to nine rental units.
- Additionally, the legislation will prohibit negative reporting to any credit agency of the granting or imposition of a stay on mortgage foreclosure proceedings, or tax foreclosure proceedings or tax lien sale on such property.

### **Extension of Senior Citizens' Homeowner Extension and Disabled Homeowner Exemption**

This legislation will require local governments to automatically renew the annual requirement that eligible recipients recertify their Senior Citizens' Homeowner Extension (SCHE) and Disabled Homeowner Exemption (DHE) benefits for 2021.

- Normally, eligible recipients need to file renewal applications, sometimes in person at the assessor's office.
- The Governor issued Executive Order (202.83) permitting local governments to automatically renew these exemptions at local option.
- This bill requires local governments to automatically renew these exemptions, and will additionally allow for exemption increases if the homeowner is entitled to one.

The bill is expected to pass the New York State Assembly, and will then await the Governor's signature.