



NEW YORK STATE SENATOR

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## Forwarding: Half a Million NYers in Danger of Displacement Due to COVID-19--Coalition Calls on Lawmakers to Permanently Fund Homeowner Protection Program

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**Half a Million New Yorkers in Danger of Displacement Due to COVID-19 -- Coalition Calls on Lawmakers to Permanently Fund the Homeowner Protection Program (HOPP)**

*Network of statewide nonprofits and legal service providers needs \$20 million in the State Budget permanently or will be forced to shut down free services that prevent foreclosure and displacement*

ALBANY, N.Y., March 3, 2021 -- New York State is facing the highest mortgage default rate since the Great Recession. As of the end of 2020, an average 11.8% (533,313) of New York homeowners were delinquent on their mortgages, according to US Census data. This rate is over three times the last high of 3.8% in January 2009 at the height of the Great Recession; and over five times the delinquency rate of January 2020 of 2.2%. Homeowners of color, moreover, are twice as likely to experience mortgage distress than their white counterparts. At the same time, New York's home retention program that funds free housing and legal services for homeowners -- the Homeowner Protection Program (HOPP) -- is about to run out of funding unless State lawmakers approve \$20 million to maintain the program and protect families from foreclosure and displacement.

A coalition of nonprofits, homeowners, elected officials and advocates are calling on lawmakers to restore funding for HOPP in the State Budget for 2020-21 and to make the \$20 million funding a permanent line item in the yearly budget.

Since 2012, the HOPP network of 88 nonprofit legal services providers and housing counseling agencies has helped over 120,000 families — primarily New Yorkers of color, low- and moderate-income families, female heads of households, and seniors — to navigate complex federal and state housing programs that they otherwise couldn't on their own. Free services offered by HOPP include assistance with applying for loan modifications, direct representation in foreclosure court proceedings, assistance with tax liens, addressing deed theft and other scams preying on communities of color and seniors and homeownership counseling.

Once pandemic-related moratoriums and forbearance programs end in June, an onslaught of newly distressed homeowners will be in dire need of the homeownership preservation

services provided by the HOPP network. If HOPP is not preserved, families will be left on their own to struggle through the confusing and bureaucratic processes of their mortgage servicers, and scammers will fill the void. The result will be far more people losing their homes. An end to HOPP will also mean another hit to

communities of color: more than 43% of the clients served by the HOPP network are homeowners of color statewide, and more than 75% of those served in New York City are homeowners of color. Funding HOPP will help preserve a legacy of minority homeownership while saving the State over a billion dollars in tax dollars and reduced judicial costs. If it is not renewed, communities throughout New York State will be devastated by foreclosure, displacement, and homeownership scams.

## STATEMENTS OF SUPPORT

New York City:

“Families facing the threat of foreclosure cannot navigate this process on their own, nor should they be expected to. Fortunately, the network we have in place has made New York a leader in foreclosure prevention,” said Assemblyman Steven Cymbrowitz (D-Brooklyn), Chair of the Assembly's Housing Committee. “Now, more than ever, with so many families facing economic insecurity due to the pandemic, this network must be given the funds it needs to allow it to continue.”

“Even before the onset of COVID-19, the Homeowner Protection Program (HOPP) was an essential resource for homeowners struggling with housing expenses, but in the wake of the pandemic the need has become even more acute,” said New York State Senator Brian Kavanagh (D-26), Chair of the Senate Housing Committee. “While we’ve enacted a mortgage and tax foreclosure moratorium for homeowners facing financial hardships that will be in

place at least until May 1st, and additional legislation creating some of the strongest mortgage forbearance protections in the country, we know that many homeowners still face great financial distress and their homes will be at risk in the coming year. Despite the State's budgetary challenges, it is imperative that we allocate \$20 million in the FY 2021-2022 budget to continue supporting HOPP and ensure that cash-strapped homeowners have the legal representation and advice they need when dealing with well represented banks, mortgage servicers, and property tax authorities. I am committed to doing everything I can to fully fund the program."

"As we continue to grapple with the ongoing challenges that COVID has presented throughout New York State, we in the state legislature cannot forget about New York homeowners who are also struggling to stay in their homes through no fault of their own. Cutting HOPP's funding would greatly harm in-need homeowners who lack other avenues for assistance and protections that tenants receive," said Assemblymember Victor M. Pichardo (D-Bronx), Chair of the Assembly's Banks Committee. "Therefore, I am joining my colleagues in state government and housing advocates to ensure that HOPP is included in this upcoming state budget."

"By the end of 2020, more than one in ten New York homeowners were behind on their mortgages. The Homeowner Protection Program (HOPP) has a proven track record of helping our struggling neighbors avoid foreclosure. But HOPP is stretched thin and at risk of running out of funding. 75% of NYC homeowners served by HOPP are people of color and without more funding we risk further devastating the communities hardest hit by the COVID-19 pandemic," said New York State Senator Brad Hoylman (D-27), Chair of Committee on Judiciary. "We need to fully fund this program in the coming budget and keep New Yorkers in their homes."

"Keeping people in their homes is the most effective way we have to keep communities strong. The Homeowner Protection Program is a crucial network of civil legal services providers that helps people who are at risk of losing their homes to foreclosure, and this funding has perhaps never been more important than it is during the COVID-19 pandemic and economic crisis," said Assemblyman Jeffrey Dinowitz, Chair of the Committee on Codes.

"There has never been a more urgent and vital time to address the renewal and permanence of HOPP in the New York State budget. With moratoriums coming to an end, HOPP's essential services will help homeowners navigate the complicated patchwork of federal and state programs. The loss of these free life-saving housing and legal services will impact homeowners statewide and create a ripple effect across our communities and housing policy that will take generations to overcome. New Yorker State urgently needs this funding to protect families and communities from foreclosure as we begin the long road to recovery," said Christie Peale, CEO and Executive Director of the Center for NYC Neighborhoods.

"HOPP has been one of the most effective solutions for homeowners facing foreclosure and homelessness. Year after year, the HOPP network of knowledgeable housing counselors and attorneys have helped homeowners navigate complex legal systems and negotiate sensible solutions. This year, as homeowners cope with the effects of job loss, lower wages, and lost benefits -- HOPP is more important than ever before. In addition, the HOPP program is the backbone of at least a dozen state laws that protect consumers from scams, unfair or abusive practices," said Kirsten Keefe, Senior Attorney at Empire Justice Center.

"New York is facing one of the biggest foreclosure crises in its history with hundreds of thousands of homeowners at risk of losing their homes, especially in our communities of color," said Jacob Inwald, Director of Foreclosure Prevention at Legal Services NYC, the nation's largest provider of free civil legal services. "New York simply cannot afford to not fund the HOPP network, which is the state's only bulwark against the looming foreclosure

crisis. Without restoration of the necessary funding, distressed New York homeowners will fall prey to deed theft and scammers, losing not only their homes but a lifetime of equity and stability.

Buffalo:

“Sadly, thousands of New Yorkers who lost income and otherwise struggled financially due to the COVID-19 pandemic will soon be faced with foreclosure proceedings when the current state of emergency has ended. The New York State Homeowner Protection Program facilitates invaluable expert assistance to help keep people in their homes,” said Assembly Majority Leader Crystal Peoples-Stokes. “HOPP is a wise and prudent investment of state dollars.”

"Before the COVID-19 pandemic, the Homeowner Protection Program helped prevent New Yorkers from losing their homes, providing free legal and housing services to families. Now, after enduring the pandemic for nearly a year, housing insecurity is more prominent than ever. Continued funding for this program is critical. If stripped from the budget, New York's foreclosure prevention program will lose the high-quality experts and the network of organizations that have been working for a decade to help people navigate the complex process. I strongly support continued funding for the Homeowner Protection Program," said New York State Senator Sean Ryan (D-60), Chair of Committee on Libraries.

“Protecting HOPP funding is vital to the long term stability of our neighborhoods. Ensuring that homeowners understand their rights throughout the foreclosure process can prevent new Zombie foreclosures and preserve safe, affordable housing for future generations,” said Kate Lockhart, Vacant & Abandoned Property Program Director at the Western New York Law Center.

“Western New York has always been in need of foreclosure prevention services due to various depressions in our economy which caused job losses. But having hit the record high in unemployment of 15% at a point during this pandemic has also created record highs in defaults. The effects on families and our community will be devastating if we are not here to help,” said Sandra Becker, Senior Housing Programs Manager at Belmont Housing Resources for WNY.

Hudson Valley:

“With a statewide mortgage delinquency rate of nearly 12% and the Hudson Valley facing an affordable housing crisis, Legal Services of the Hudson Valley’s (“LSHV”) free foreclosure prevention legal services funded through the Homeowner Protection Program (“HOPP”) are in high demand. In 2019 and 2020, LSHV prevented 344 foreclosures and provided services to hundreds of other homeowners enabling them to represent themselves and either save their homes, or mitigate their losses and relocate, thereby avoiding homelessness. Without continued HOPP funding, LSHV will be forced to shutter our Foreclosure Prevention Unit at a time when even more Hudson Valley homeowners cannot afford but have need for an attorney to help them save their homes,” said Lara Kasper-Buckareff, Chief Operating Officer at Legal Services of the Hudson Valley.

For additional information, please visit [FundHOPP.org](https://FundHOPP.org).

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