



Protect New York Homes: Foreclosure Prevention Services Work

Since 2008, New York State has had the strongest Foreclosure Prevention Services Network in the country. Over 90 groups provide vital support to homeowners in every county to prevent foreclosures and preserve communities.

Funding for the Foreclosure Prevention Services Network
Ends on September 30th 2017

\$30 million is needed to preserve these vital services through 2018

Communities Are Still In Crisis

Foreclosure filings remain critically high.

With nearly **34,000 new filings** in 2016 and **72,000 pending foreclosure cases** in our courts, foreclosures comprise 26% of the Supreme Courts' civil caseload. Housing counseling and legal services programs are inundated with calls, and serve over 20,000 families annually.

Foreclosure cases are getting more complicated to resolve.

The federal Home Affordable Modification Program (HAMP) ended in December 2016, there has been a sharp increase in seniors at risk of reverse mortgage foreclosures, and sales of mortgage notes by FHA and FHFA have made resolving mortgage cases with Wall Street investors more difficult.

Zombie foreclosures and zombie properties are a bigger problem than ever.

We need folks on the ground, preventing more vacancies, as well as tracking these properties.

Foreclosure Prevention Services Save Homes

No New York homeowner should have to navigate the foreclosure process alone. Statewide, New Yorkers rely on a network of 63 housing counseling and 31 legal services providers. Foreclosure prevention experts:

- Help homeowners understand their options
- Achieve affordable loan modifications
- Represent homeowners in our state mandated judicial settlement conferences
- Defend foreclosure cases in court
- Are watchdogs in our communities for zombie properties and enforcing laws

These providers:

- Provide representation to more than 60% of homeowners in settlement conferences
- Serve over 20,000 families annually
- Obtain affordable loan modifications for 30% of clients

Success Story!

Ms. B, a mother of three and domestic violence survivor, saved her home with legal assistance through the Network. After Ms. B's husband was ordered to vacate the home and filed for divorce, she could not keep up with payments. She was sued in foreclosure in May 2016 and an advocate assisted her with filing an answer and represented her in the settlement conferences. The advocate negotiated an affordable loan modification but it required her husband's signature. The advocate worked with her divorce counsel to get the judge to order the husband to cooperate. The modification resolved the foreclosure action, and it has been dismissed. Ms. B is current and remains stable in her home with her three children.

Foreclosure Prevention Services are critical for the success of laws you passed to help your constituents

In 2016, New York State passed a sweeping set of reforms to make the foreclosure process fairer and more efficient, to combat zombie properties, and established the Community Restoration Fund to stabilize communities.

Funding the Foreclosure Prevention Services Network is essential to the success of these reforms.

Housing Counseling and Legal Services level the playing field. New York State's protections for homeowners in foreclosure are only strong if they can be enforced. Direct services lead to greater efficiency in the settlement conferences.

To Enforce the Zombie Properties Legislation, DFS Relies on this Network.

Banks are now responsible for maintaining vacant homes. The Department of Financial Services (DFS) can impose penalties on banks for failure to do so, but their ability to vigorously enforce the new law requires a foreclosure prevention services network to inform DFS about blighted properties.

Statewide Consumer Protections Will Be Impacted and Undermined Without the Network.

- *90 Day Pre-Foreclosure Filing Notices* sent by mortgage servicers pursuant to RPAPL 1304 must attach a list of local housing counseling agency referrals maintained by DFS.
- *The Mortgage Assistance Program (MAP)* provides zero percent interest rate loans and is a lifeline for homeowners to cure tax arrears or get a loan modification. MAP depends on the screening and application process established through the Network.
- *The Community Restoration Fund (CRF)* depends on the Network, including determinations of whether properties are vacant and abandoned.
- *Cities and Towns Must Partner with Housing Counselors and Legal Services under New York State's Abandoned Properties law.* Accompanying the Abandoned Properties Legislation is \$13 million in grants for cities and towns throughout New York State to address abandoned properties, with a requirement that the city or town ensures that at-risk homeowners have access to housing counseling and legal services.
- *Courts Must Refer Pro Se Homeowners to Local Legal and Housing Counseling Services* as part of the legislative reforms passed in June 2016.

New York State is a national model for foreclosure prevention and community restoration because of its far-sighted legislation and its dedication to providing homeowners with a strong network of professional housing counselors and legal services attorneys. This network is needed now more than ever as New York State seeks to implement new laws and handle a changing foreclosure landscape.

Without \$30 million in funding, these critical services will be lost this year!

For more information contact:

Meghan Faux, Legal Services NYC
718-246-3276, mfaux@lsnyc.org

Hilary Lamishaw, NeighborWorks Alliance of NYS/TRIP
518-272-8289, ext. 214, hilary@triponline.org

Kirsten Keefe, Empire Justice Center
518-935-2846, kkeefe@empirejustice.org

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