



NEW YORK STATE SENATOR

Jeffrey D. Klein

## State Senate Passes Klein Bill Extending Critical Foreclosure Protections for Homeowners

JEFFREY D. KLEIN June 10, 2014

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**ALBANY, NY** – Senate Co-Leader Jeffrey Klein (D-Bronx/Westchester) announced Wednesday that the State Senate voted 56 - 1 in favor of his legislation that would extend vital foreclosure prevention measures and homeowner protections for an additional five years beyond the February 2015 expiration date. These protections include extending the requirement for lenders to provide 90 notice of foreclosure and mandatory settlement conferences for all home loans. An expiration of these protections would have meant that tens of thousands of New York homeowners in pre-foreclosure were in serious danger of losing their homes. The State Assembly passed the legislation on June 2<sup>nd</sup>. The legislation now awaits New York Governor Andrew Cuomo's signature to become law.

The legislation (**S. 7119/A.9354**) will extend portions of Senator Klein's 2009 comprehensive foreclosure legislation aimed at protecting homeowners and preserving property values in communities stricken with high rates of foreclosure in the wake of the sub-prime mortgage crisis. In a press conference highlighting the importance of this legislation last Friday, Senator Klein called for the continuing need for these protections, citing the disproportionate impact of foreclosure on minority communities, with 80% of New York City residents in pre-foreclosure living in majority-minority neighborhoods.

**Senate Majority Coalition Leader Jeff Klein (D-Bronx/Westchester) said,** “With nearly 30,000 New York City homeowners currently facing foreclosure, the extension of foreclosure notifications and settlement conferences are critical to keeping the vast majority of these homeowners in their homes. And this protection doesn't just help individual homeowners – it helps entire communities. Foreclosures continue to be a major problem in the Bronx and across New York. They take a toll on entire neighborhoods and can destroy otherwise safe, beautiful areas. With an extension of these protections, we can continue to keep nearly 90% of homeowners in their homes. I am proud that Assemblywoman Weinstein and I have successfully championed these solid protections through both houses of the legislature.”

The Assembly bill was sponsored by Assembly Judiciary Committee Chair, Assemblywoman Helene E. Weinstein (D-Brooklyn).

**Assemblywoman Helene E. Weinstein (D-Brooklyn) said,** “For far too long homeowners have fallen victim to lenders who exploit loopholes and evade our state’s foreclosure filing laws, leaving homeowners stranded with fees and interest racking up and little hope of modifying their loans. The mandatory settlement conference and 90-day notice provisions for all home loans along with the requirement for banks to negotiate in good faith are crucial protections for borrowers at risk of losing their homes. I am pleased the Senate has now joined the Assembly in ensuring that home owners facing foreclosure will have access to the protections we’ve put into place, and therefore less likely to lose their homes.”

“We are so pleased to see the passage of this critical piece of legislation. We truly appreciate the efforts of sponsors Senator Klein and Assemblywoman Weinstein in working to ensure that homeowners at risk of foreclosure are not left wondering whether they will have access to a settlement conference when they need it. The settlement conferences have been a critical measure in ensuring justice for New York homeowners in jeopardy of losing their homes, **said Kirsten Keefe, Senior Attorney at Empire Justice Center.**

**Bronx Homeowner Yvonne Mitchell said,** "I am thrilled to hear that these critical protections for homeowners will continue beyond the upcoming expiration date. No homeowner should have to forgo the opportunity to keep their home. With mandated notices and settlement conferences, I was able to successfully negotiate a loan modification and keep mine. The extension of these laws mean that more New York homeowners can and will stay in their homes."

Last week, Senator Klein released a report, co-authored by Assemblywoman Helene Weinstein detailing the impact individual foreclosures have on entire communities, the vast majority of which are majority-minority neighborhoods. In New York City as a whole, minority neighborhoods experience 80% of pre-foreclosures with almost 24,000 out of the nearly 30,000 total in pre-foreclosure. The Bronx and Queens demonstrated the greatest inequality between neighborhoods with homes in pre-foreclosure. In these

boroughs, minority-majority neighborhoods experience 93% of pre-foreclosures.