



NEW YORK STATE SENATOR
Eric T. Schneiderman

Senate Banking and Codes Committees Take On Mortgage Fraud In New York

ERIC T. SCHNEIDERMAN October 29, 2009

| ISSUE: **CODES, CONSUMER PROTECTION**

| COMMITTEE: **CODES**



SENATE BANKING AND CODES COMMITTEES TAKE ON MORTGAGE FRAUD IN NEW YORK STATE

As FBI identifies New York State as a top mortgage fraud state, joint committee holds hearing to assess damage done and prevent future fraud

NEW YORK – Sen. Brian X. Foley (D – Blue Point) and Sen. Eric T. Schneiderman (D – Manhattan-Bronx), Chairs of the Senate Banking and Codes Committees respectively, held a

special joint hearing today in New York City to address the mortgage fraud crisis that is wreaking havoc across the state.

In recent years, residents of the state of New York, especially the suburban areas surrounding New York City and Long Island, have experienced a significant increase of criminal activity with regards to residential mortgage fraud. In a 2008 report, the Federal Bureau of Investigation (FBI) identified New York as one of the "top 10 mortgage fraud states."

"The scourge of mortgage fraud is devastating families in every corner of New York State – and it's upending our economic recovery," said Senator Eric T. Schneiderman. "Clearly the state needs to do more to protect homeowners from unscrupulous lenders and other predators ripping off hard working New Yorkers. I am proud to join Sen. Foley and my colleagues in finding a real solution to this insidious crisis, and that means ensuring prosecutors have the tools and resources necessary to hold these criminals accountable."

"There is a clear need to investigate and prosecute mortgage fraud in New York State," said Senator Brian X. Foley. "Working families and home buyers deserve to be protected from dishonest lending practices that are not only unethical but also illegal. I am fully committed to working with my colleagues and taking all steps necessary to take down mortgage fraud and support home buyers in achieving their American Dream."

Superintendent of Banks Richard Neiman, Supreme Court Justice Hon. Arthur Schack, officials from the Attorney General's Office, Brooklyn District Attorney's Office and Queens County District Attorney's Office, attorneys, advocates, and mortgage fraud victims testified today.

New Yorkers have suffered catastrophic losses as a result of sophisticated residential mortgage fraud scams targeted at prospective home buyers.

Senators Schneiderman and Foley said the purpose of today's hearing is to gather information concerning the types of fraud practiced on mortgage borrowers. The committees will assess the investigation and prosecution of residential mortgage fraud in the State of New York.