



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

Addabbo: Landmark Legislation Will Protect New Yorkers From Foreclosure

JOSEPH P. ADDABBO JR November 17, 2009

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Press Release

For Immediate Release

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ADDABBO: LANDMARK LEGISLATION WILL PROTECT NEW YORKERS FROM FORECLOSURE

Bill Protects Homeowners at Risk of Losing Their Homes, Prevents Similar Crises from Happening in the Future

Queens, NY, Tuesday, November 17, 2009 – New York State Senator Joseph P. Addabbo, Jr., announced today that the New York State Senate passed critical legislation yesterday to protect homeowners across the state. Expanding upon legislation passed by the Senate in 2008, this bill provides four additional

measures that he supported to protect homeowners at risk of foreclosure and to prevent similar crises from occurring in the future, which Governor Paterson is expected to sign into law.

New York's housing market has suffered a particularly severe fallout in the wake of the housing crisis in the U.S., with over 50,000 new foreclosure filings in 2008 alone, a 30 percent increase over the preceding year. A staggering 58,000 outstanding mortgage loans in New York entered some form of delinquency in September 2009. Over the next four years, over 230,000 additional homes are expected to be lost to foreclosures, costing the state's economy over \$4 billion.

Explains Addabbo, the Senate has enacted these four provisions to safeguard homeowners:

- Safeguarding Distressed Homeowners: Requires that lenders and mortgage servicers provide a foreclosure notice to all distressed borrowers at least 90 days before any legal action may be commenced.
- Expansion of Mandatory Settlement Conference: Expands the number of borrowers who are eligible to receive the benefit of this settlement conference to holders of all types of home loans for a period of five years. Also requires litigants to negotiate in good faith to try to reach a mutually agreeable resolution.
- Protecting Neighborhoods and Tenants: Requires a plaintiff in a mortgage foreclosure action to maintain the property in compliance with certain sections of the NYS Building code or other local housing code. If property is occupied by a tenant, it must remain in safe and habitable condition.
- Protecting Distressed Homeowners from Rescue Scams: Precludes any licensees or registrants from accepting up-front fees in connection with performing the business of distressed property consulting. Additionally, this provides a mortgage broker with three days to disclose the exact amount and methodology of total compensation that the broker will receive.

Senator Addabbo notes, "The spike in home foreclosures as a result of widespread subprime lending has hit every corner of my district. With unemployment figures expected to continue to rise, we have not yet seen the peak in the number of people who can't pay their mortgages. In fact, no New Yorker or area of the state is immune to the deep and lasting economic impact of this crisis—homeowners, tenants and whole communities are affected. Lowering the alarming rate of foreclosures in New York and helping families in Queens to save their homes were priorities for me during this special session in Albany, in order to build the foundation for a lasting, sustainable economic recovery."

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