



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Announces Senate Passage of Foreclosure Legislation

CHARLES J. FUSCHILLO JR. November 24, 2009

| ISSUE: **FORECLOSURE**

State Senator Charles J. Fuschillo, Jr. (R-Merrick) recently announced that the New York State Senate has passed new foreclosure protection legislation he supports. The legislation provides new protections for homeowners facing foreclosure and creates new requirements to ensure that foreclosed homes are maintained, protecting the quality of life for the surrounding residents.

The legislation would:

- Extend foreclosure protections currently given to homeowners with sub-prime, nontraditional, or high costs loans to all borrowers, regardless of what type of loan they have. Foreclosing banks and mortgage companies would have to provide 90 days notice of their intent to foreclose on any type loan.
- Allow tenants residing in a foreclosed property to reside there for 90 days or until the end of the lease term, whichever is longer.
- Facilitate compromise between homeowners and lenders with the aim of allowing the homeowner to remain in their home. Courts would be required to hold a settlement conference within 60 days of the filing of a foreclosure action to negotiate a potential settlement to the action.
- Help protect the quality of life and property values for homeowners living near a foreclosed property by requiring banks or mortgage companies to maintain their foreclosed properties until the title passes or a receiver is appointed.

To help improve the State Banking Department's ability to quickly identify homeowners facing foreclosure and provide them counseling about their options, the legislation requires foreclosing lenders to make a filing with the Superintendent of Banks within 3 days of the 90 day notice, which would be stored in a database.

The bill has also been passed by the Assembly. Governor Paterson is expected to sign the legislation into law.

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