



NEW YORK STATE SENATOR

Andrea Stewart-Cousins

SENATOR ANDREA STEWART-COUSINS: LANDMARK SENATE FORECLOSURE BILL SIGNED INTO LAW; New Law Protects Homeowners, Prevents Similar Crises From Happening In The Future

ANDREA STEWART-COUSINS December 22, 2009

| ISSUE: **HOUSING**

State Senator Andrea Stewart-Cousins (D/WF – 35th Senate District) joined Governor Paterson today for a bill signing ceremony enacting landmark Senate legislation which protects homeowners from the ongoing foreclosure crisis, Senate bill 66007.

“This expansive legislation is critical to so many New Yorkers--homeowners and tenants as they struggle to maintain housing in a difficult economic time,” stated Senator Andrea Stewart-Cousins.

New York’s housing market has suffered a severe fallout in the wake of the nation’s housing crisis, with over 50,000 new foreclosure filings in 2008. A staggering 58,000 outstanding mortgage loans in New York entered some form of delinquency in September 2009.

The major provision of the new law include:

- **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 is taken.

- Expansion of Mandatory Settlement Conference: Expands the borrowers who are eligible to receive the benefit of this settlement conference to include all 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 the NYS Building code or other local housing code. If property is occupied by a tenant, it must remain in safe and habitable condition. All tenants of a foreclosed property must be notified of the change in ownership, and permitted to remain in their home for the remainder of their lease term or 90 days, whichever is longer.
- Protecting Distressed Homeowners from Rescue Scams: Precludes and 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.

“I am pleased that the Governor's signing of this legislation into law furthers a comprehensive strategy designed to keep people in their homes,” concluded Senator Andrea Stewart-Cousins.