



NEW YORK STATE SENATOR

Jose Peralta

Senator Peralta Calls For Extending State Foreclosure Prevention Program

JOSE PERALTA | October 28, 2011

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Arguing that “investing in foreclosure prevention saves money,” State Senator Jose Peralta is urging Governor Andrew Cuomo to continue funding a program that provides homeowners with counseling, legal assistance and help negotiating with banks.

In a letter to the governor citing alarmingly high rates of seriously delinquent mortgages in his senate district, Senator Peralta calls for extending the state’s Foreclosure Prevention Services Program. Launched in 2008, funding for the \$25 million initiative expires at the end of the year.

“Continued access to housing counseling and legal assistance will improve the chances that these homes can be saved,” Senator Peralta writes. “Indeed, direct services for homeowners are proven to be successful at keeping families in their homes.”

Citing studies done by New York University, Senator Peralta notes in the letter that violent crime increases approximately 2.0 percent in a block if one house goes into foreclosure and by 5.7 percent if a second home is foreclosed. The availability of affordable rental housing is also negatively impacted, as rental units in foreclosed properties are lost and displaced homeowners themselves enter the rental market.

“Our communities are severely impacted by the secondary effects of foreclosed and abandoned homes, including lost tax revenues and declining home values,” Senator Peralta writes. “I am painfully aware of the intense and competing demands you face in developing your executive budget in the current economic environment. However, I fear that the economic impact of the loss of our state’s foreclosure assistance program would be absolutely devastating.”