



NEW YORK STATE SENATOR

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Governor Andrew Cuomo & Senator Andrew Lanza Announce Dfs Program for Banks to Meet One-on-One WITH Staten Island Homeowners Seeking Sandy Insurance Settlement Money

ANDREW J LANZA February 28, 2013

Governor Andrew Cuomo and Senator Andrew Lanza today announced that five of New York's largest banks and mortgage servicers will have representatives available to offer one-on-one help to homeowners seeking the release of Superstorm Sandy insurance settlement funds at the Department of Financial Services' Disaster Assistance Centers from Monday, March 4 through Saturday, March 9.

The program is designed to help homeowners complete steps needed to have their banks endorse their insurance settlement checks, which are often written jointly to homeowners and their banks or servicers. Bank representatives will also be able to help people who are struggling to make their mortgage payments.

The five banks and mortgage servicers participating are JPMorgan Chase, Wells Fargo, Bank of America, CitiMortgage, and Ocwen Loan Servicing. In addition, representatives from Assurant will be on hand on behalf of dozens of smaller banks and mortgage servicers.

Homeowners will be able to meet face-to-face with the bank or mortgage servicer holding their mortgage, so they won't have to mail documents and checks back and forth. These banks are joining in New York's outreach effort, and it should help in making the process move faster.

Insurers typically issue checks jointly to a homeowner and the homeowner's mortgage bank or servicer after the settlement of a large insurance claim. That means the bank needs to endorse the check before the homeowner may access the funds. Dual endorsement is a standard requirement of mortgage notes and insurance contracts to protect the lender's interest. Banks may also require proof that repairs have been made before endorsing checks.

Earlier this month, the Department of Financial Services found that banks were holding more than \$200 million in insurance funds from Storm Sandy victims; the Department urged the banks to use maximum discretion and effort to speed the release of funds and asked Fannie Mae and Freddie Mac to announce emergency reforms to their rules to provide banks and mortgage servicers with even more discretion to release funds.

In response to this request, Fannie and Freddie stated that for borrowers who were current on their payments before the storm and have less than 80% damage to their homes, banks and mortgage servicers have complete and unlimited discretion to disburse insurance proceeds and should apply the same practices to their Fannie- and Freddie-backed loans as they do to loans that such banks and servicers own themselves, subject only to quality assurance programs.

Following this new Fannie and Freddie guidance and further discussions with the State, many banks are now releasing much more money to borrowers. Indeed, these five participating banks and servicers alone will be immediately releasing an estimated \$70-80 million to current borrowers as a result of these rule changes.

The Department's Disaster Assistance Center will be conducted from 9 a.m. to 6 p.m., Monday through Friday and 9 a.m. to 3 p.m. on Saturday at the Former Kia Dealership located at 1976 Hylan Blvd., Staten Island.

In addition, representatives from these five bank representatives along with OneWest bank (on a limited basis) will be available on the Department's Mobile Command Center, which will be visiting Staten Island:

March 7 – 10 a.m. to 6 p.m. at 2660 Hylan Blvd., Staten Island.

Customers of banks or mortgage servicers other than the institutions participating in the program are also encouraged to visit the Disaster Assistance Centers to get help in answering their questions. Homeowners with general insurance-related questions are also encouraged to attend.

Homeowners unable to go to a Disaster Assistance Center may contact the Department by calling (800) 339-1759, which is staffed from 8 a.m. to 8 p.m., Monday through Friday, and from 10 a.m. to 5 p.m., Saturday and Sunday. Insurance information is also available on the Department's website, [www.dfs.ny.gov](http://www.dfs.ny.gov/index.htm)<<http://www.dfs.ny.gov/index.htm>

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