



NEW YORK STATE SENATOR

Timothy M. Kennedy

Big Banks Have Let 100's of WNY Homes to Fall into Disrepair; Kennedy, Ryan Push New Legislation to Make Banks Pay for Foreclosure Delay

Timothy M. Kennedy

April 5, 2013

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Kennedy, Ryan, local residents launch push for new state law at 35 Gary Lane, a Cheektowaga home falling into disrepair as a result of Bank of America's delay.

Hundreds of homes across Western New York end up in "foreclosure-delay limbo" when banks drag their feet.

Kennedy: Big banks' delay hurts our community and our home values. WNY is sending a message to Wall Street: You made this mess. You clean it up.

CHEEKTOWAGA, N.Y. – "When you walk along Gary Lane in Cheektowaga, you'll be welcomed by attractive homes, well-kept lawns and friendly neighbors," said **Senator Tim Kennedy**. "But when you come to 35 Gary Lane, you will see first-hand how the recklessness of Wall Street has afflicted our neighborhoods in Western New York."

The deteriorating home at 35 Gary Lane has fallen into disrepair as a result of Bank of America dragging its feet during the foreclosure process. This property is just one of many in Cheektowaga and throughout Western New York that is literally crumbling because banks and other mortgage holders refuse to be good neighbors and maintain properties to meet housing code and neighborhood standards.

Senator Kennedy, Assemblyman Sean Ryan and other local leaders want to stop the banks' delay and prevent blight from taking hold of communities throughout Buffalo

and Western New York.

Kennedy and Ryan are pushing for new legislation that will force banks to provide property maintenance when they cause foreclosure delay. It would require banks to maintain vacant properties like 35 Gary Lane that are left in foreclosure-delay limbo, preventing blight from claiming another neighborhood in Western New York. Kennedy and Ryan are also working to pass legislation that would require banks to help homeowners stave off foreclosure through early notification and support initiatives.

“The road from Wall Street to Main Street is being littered with abandoned and neglected properties. This problem is not unique to Cheektowaga – it has distressed neighborhoods in Buffalo, Lackawanna and beyond,” **Senator Kennedy** said. “The very mortgage industry that caused the collapse of the housing market bears responsibility for the current foreclosure crisis. The big banks blighting our community must be held accountable, and this legislation will help do exactly that. It will send a message to Wall Street: You made this mess; you clean it up. I urge my colleagues in Albany to help us protect neighborhoods like Gary Lane from the destruction often left behind by the big banks’ blind pursuit of profits.”

Assemblyman Ryan said, “The legislation we are presenting today would create a two-pronged approach to help deal with the ongoing problem of foreclosures in our communities. This legislation would hold banks accountable by making sure they give proper notice and provide support when a mortgage has fallen behind, and if a foreclosure were to occur, banks would be required to ensure that a property does not fall into disrepair. Blight from foreclosed properties occurs far too often, and the big banks have an obligation to maintain foreclosed properties so that they do not contribute to neighborhood decay. It's about time we put some rules into place that hold the banks accountable.”

Kennedy and Ryan are urging a multi-faceted approach to address the foreclosure issue in Western New York.

First, the lawmakers want to prevent foreclosure from happening. They’ve introduced legislation that will require banks to act swiftly and responsively to help homeowners avoid foreclosure. Banks and other mortgage holders will be required to notify property owners who have fallen behind on their mortgages of resources and services available to assist them through what can be a stressful and confusing

process. After a mortgage loan has been in default for 30 days, a written notice will be sent to the property owner informing them of the status of their loan, opportunities to help them avert foreclosure and responsibilities to maintain the property even though it is in default.

There are options available to help homeowners avoid foreclosure, including legal services, housing counselors and two toll-free foreclosure helplines maintained by New York State. These resources are most effective early in the process. By providing early notice after a mortgage goes into default, the bill seeks to stave off foreclosure before it's too late. A clearly-written, easily-understood notice will reduce the incidence of foreclosure and ensure properties in default aren't abandoned or neglected.

Second, Kennedy and Ryan want banks to be held accountable when they delay the foreclosure process. Hundreds of homes in Western New York fall into foreclosure and too many first get stuck in a foreclosure-delay limbo. The banks delay foreclosure proceedings and continue paying property taxes – which prevents the municipal government from doing any property maintenance and blocks any county efforts to commence tax foreclosure proceedings. The end result is a home falling into disrepair, causing blight to an otherwise strong neighborhood.

They're pushing for a new law that will require a bank that commences a mortgage foreclosure action to, in good faith, maintain the property, if the property is vacant or becomes vacant after the commencement of the foreclosure action. In other words, the legislation would require Bank of America to maintain the interior and exterior of 35 Gary Lane to meet local housing code and neighborhood standards. It will force banks to cover all costs associated with property upkeep and maintenance if a home is abandoned after they've begun the foreclosure process.

In Cheektowaga alone, town officials say there are nearly 300 vacant homes stuck in the foreclosure process.

The lawmakers believe this dual-pronged approach, once approved in the State Capitol, will help the situation on Gary Lane and prevent situations like it from happening in neighborhoods across Western New York.

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Senator Timothy M. Kennedy represents the New York State Senate's 63rd District, which is comprised of the town of Cheektowaga, the city of Lackawanna and nearly

all of the city of Buffalo. More information is available at
<http://kennedy.nysenate.gov>.