



NEW YORK STATE SENATOR

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Protecting Communities from Zombie Properties

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NYACK--Zombie properties threaten neighborhoods across New York State, from big cities to small towns. Abandoned homes become magnets for crime, drag down property values and drain municipal coffers. Senator Carlucci joined Mayor of Nyack Jen White and concerned homeowners to support a bill that will keep communities safer and lessen the burden of municipalities still struggling to recover from the housing crisis.

The Abandoned Property Neighborhood Relief Act will hold banks accountable for so-called zombie properties. Too often, when a homeowner falls behind on mortgage payments and receives a notice of arrears or a foreclosure notice, the homeowner abandons the property. Many families are not aware that they have the right to remain in their home until a judge declares the foreclosure complete, which can take years. At the same time, there is evidence that lenders are actually slowing down the foreclosure process, and in some cases, seeking court orders to cancel foreclosure actions in the middle of the process.

With no one maintaining these derelict properties, they become vulnerable to crime, decay, vandalism and arson. Furthermore, these zombie homes decrease the property value of neighboring homes and become an enormous burden for local code enforcement and emergency service providers.

An epidemic of zombie homes has impacted communities statewide. RealtyTrac estimates more than 15,000 properties to be zombie foreclosures. The Abandoned Property Neighborhood Relief Act seeks to close the current loophole, changing state law to make lenders responsible for delinquent properties soon after they are abandoned – not at the end of a lengthy foreclosure process – and to pay for their upkeep.

Banks or their servicers would be required to notify delinquent homeowners of their right to stay in their homes until the foreclosure process has been completed. The bill would also create a statewide registry for zombie properties that would be electronically accessible by, and serve as a resource for, localities facing abandoned property issues. Banks that fail to register an abandoned property will be subject to civil penalties and/or court actions.

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