



NEW YORK STATE SENATOR

Patrick M. Gallivan

Senator Gallivan Praises Legislation to Combat Blight of Vacant & Abandoned Properties

JIM RANNEY June 28, 2016

| ISSUE: **ZOMBIE HOMES, COMMUNITY DEVELOPMENT**



Senator Patrick M. Gallivan (R-C-I, Elma) says a bill passed by the New York State Legislature and signed by the governor will help prevent home foreclosures and protect communities from the threat of so-called zombie properties. The legislation provides state assistance to homeowners facing mortgage foreclosure and combats the blight of vacant and abandoned properties by expediting the rehabilitation and repair of these properties.

"High foreclosure rates over the past several years have resulted in too many neglected and abandoned properties in Western New York and across the state," Gallivan said. "These zombie homes bring blight to once prosperous neighborhoods, drive down property values and have a negative impact on the quality of life. By making it easier for homeowners to fight foreclosures and speeding up the process for already vacant and abandoned properties that owners no longer want, we can better protect our residents and build stronger communities. I am proud to support this legislation."

The legislation includes measures to assist homeowners facing mortgage foreclosure, establishes mandatory settlement conferences, creates an expedited foreclosure process for vacant and abandoned properties, establishes an electronic vacant property registry, and creates a Consumer Bill of Rights. Specifically, the legislation will:

- Enhance the effectiveness of mandatory settlement conferences for homeowners by prescribing the rights and duties of the parties and clarifying how the process should work to best protect homeowners contesting foreclosures and prevent them from losing their homes.
- Establish a Consumer Bill of Rights informing property owners of their rights in foreclosure proceedings to prevent people from losing their homes. Some homeowners vacate their homes early in the foreclosure process because they are unclear about their rights or face pressure to vacate.
- Create the Community Restoration Fund (CRF), a new tool for the State of New York Mortgage Agency (SONYMA) to assist homeowners facing mortgage foreclosure. CRF will purchase defaulted mortgage notes from other lenders and offer favorable mortgage modifications to keep homeowners in their residences.
- Impose a pre-foreclosure duty on the banks and servicers to maintain vacant and abandoned properties. This legislation places the maintenance obligation on a mortgagee

when the mortgagee becomes or should have become aware of the vacancy. Under this law, the bank has a duty to maintain and secure a residential property where there is a reasonable basis to believe it is vacant and abandoned, and faces civil penalties up to \$500 per violation, per property, per day for failing to do so.

- Expedite foreclosure for vacant and abandoned properties by offering plaintiffs an option for an expedited foreclosure process on vacant and abandoned properties that homeowners no longer want. The legislation requires a foreclosing party to move to auction within 90 days of obtaining a foreclosure judgment.
- Establish an electronic registry of vacant and abandoned properties to promote communication between local governments and mortgagees responsible for property maintenance.
- Establish a hotline to report zombie properties: 800-342-3736.