



NEW YORK STATE SENATOR

Velmanette Montgomery

Senator Montgomery urges support for the “Communities First” proposal which would provide critical foreclosure prevention services to homeowners statewide

VELMANETTE MONTGOMERY January 23, 2019

| ISSUE: **HOPP FUNDING, COMMUNITIES FIRST INITIATIVE, FORECLOSURE PREVENTION, PROTECTING NY HOMEOWNERS**

Senator Velmanette Montgomery wrote to Senate Majority Leader Andrea Stewart-Cousins and Assembly Speaker Carl Heastie to express her support for the "Communities First" proposal. The Senator joins a statewide network of nearly 167 advocacy organizations, as well as businesses and labor unions, fighting to have the \$20 million in funding included in the FY 2019-2020 State budget. The funding would continue vital housing counseling and legal services programs that will otherwise be forced to greatly curtail operations or close their doors at the end of March.

In the letter, Senator Montgomery details her support for this important new budget initiative that would replace the Homeowner Protection Program (HOPP) that expires March 31, 2019:

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I write to urge your support for a \$20 million budget allocation for the “Communities First” initiative. Communities First is a new program designed to work off a well-established network of legal services and housing counselors, providing a holistic approach to homeowner services, community stabilization, and affordable housing.

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This program would replace the Homeowner Protection Program (HOPP) that expires March 31, 2019. Currently, there is no single line item in the state budget that funds foreclosure prevention. If this funding is not renewed, it is likely that most homeowners will lose access to housing counseling and legal services.

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Today, tens of thousands of working-and-middle-class New York City homeowners remain at risk of displacement due to foreclosure and related financial vulnerabilities. 16,900 New York City families are currently in foreclosure, with 7,000 new cases filed just last year and an estimated 42,000 new defaults in 2018. Additionally, foreclosure auctions are at a post-crisis high, and reverse mortgage foreclosures are on the rise, putting seniors at risk of homelessness.

To read the full letter, download the PDF.

The Homeowner Protection Program (HOPP) was launched by the New York State Attorney General's Office in 2012 using funds secured under the National Mortgage Settlement – a historic agreement that Attorney General Eric Schneiderman, the Department of Justice, and 48 other state attorneys general reached with the nation's five largest mortgage servicing companies. Attorney General Schneiderman was among the first attorneys general

to commit a significant portion of the money won under that settlement to support housing counseling and legal service providers who assist struggling homeowners fighting to avoid foreclosure.

To learn more about the "Communities First" proposal, visit:

<http://www.legalservicesnyc.org/news-and-events/press-room/1389-foreclosurefundingcuomo>

<https://www.nycbar.org/member-and-career-services/committees/reports-listing/reports/detail/continued-funding-for-the-communities-first-program>

<https://empirejustice.org/2019/02/14/empire-justice-center-budget-testimony-housing-focuses-communities-first-foreclosure/>

<https://citylimits.org/2019/02/11/cityviews-save-the-ny-program-that-keeps-homeowners-out-of-foreclosure/>