



NEW YORK STATE SENATOR

Velmanette Montgomery

BP Adams, State Senator Montgomery, and Assembly Member Wright Announce Joint Legislative Hearing To Examine City's Homeownership Housing Crisis

VELMANETTE MONTGOMERY March 8, 2019

| ISSUE: **DEED THEFT AND EQUITY THEFT, IMPACT OF WATER AND SEWAGE LIENS, NYC HPD THIRD PARTY TRANSFER PROGRAM AND HDFC CRISIS, PROTECTING HOMEOWNERS, REDLINING AND PREDATORY FORECLOSURE PRACTICES**



**State Senator
Velmanette Montgomery**



**Brooklyn Borough President
Eric Adams**



**Assemblymember
Tremaine Wright**

In Partnership With (list in formation)

State Senator Brad Hoylman
Chairman
Senate Committee on Judiciary

State Senator Robert Jackson
Chairman
Senate Committee on Cities

State Senator Brian Kavanagh
Chairman
Senate Committee on Housing, Construction &
Community Development

State Senator Kevin Parker
Chairman
Senate Committee on Energy & Telecommunications

State Senator Brian A. Benjamin
Chairman
Senate Committee on Revenue and Budget

Assemblymember Al Taylor
Chairman
Assembly Subcommittee on Regulated Mortgage
Lenders

BROOKLYN, NY, March 8, 2019: Today, Brooklyn Borough President Eric L. Adams, State Senator Velmanette Montgomery, and Assembly Member Tremaine Wright announced that they are holding a joint legislative hearing to examine New York City's homeownership housing crisis, responding to many homeowners who have lost their property and equity

and have been left without support. The hearing, which will be held on Friday, March 15th from 2:00 PM to 6:00 PM at Brooklyn Borough Hall, will focus on wrongful property seizures and the practices that have put homeowners and families in jeopardy, including deed and equity theft, municipal liens, predatory foreclosures, redlining, reverse mortgages, and the City's Third Party Transfer (TPT) program. Borough President Adams, State Senator Montgomery, and Assembly Member Wright emphasized the need for legislative action to stem the loss of generational equity due to fraudulent and possibly illegal activity, losses than have been acutely felt in communities of color across the city.

"We must vigilantly and comprehensively tackle the growing emergency facing Black and Latino property owners in our city, who appear to be systematically targeted by efforts to wrongful seize homes and put families at economic disadvantage," said Borough President Adams. "Government is playing catch-up to the fraudulent schemes of bad actors who want to gentrify neighborhoods, and it's time to get back on offense. I thank State Senator Montgomery and Assembly Member Wright for bringing the State Legislature's attention to this crisis facing our neighbors."

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"The increasing lack of affordability is hitting homeowners of color especially hard and they often do not know who to turn to," said State Senator Montgomery. "At the same time, we are fighting just to maintain resources to battle foreclosure. This fact finding hearing will allow us to learn more about ways in which homeowners are in constant danger of losing their homes beyond missing a mortgage payment and how we can work towards solutions. I thank my colleagues for joining me to shine a light on issues such as continued redlining, scams, and governmental policies that have exacerbated the crisis."

"Predatory schemes and misguided policy have systematically destabilized the community of homeowners in Brooklyn," said Assembly Member Wright. "We must address this crisis

immediately. In partnership with Senator Montgomery and Borough President Adams, I believe we can come together, as City and State Legislators, to make changes to protect the communities we serve.”

The hearing will be held in partnership with State Senator Brian A. Benjamin, chair of the Committee on Revenue and Budget; State Senator Brad Hoylman, chair of the Committee on the Judiciary; State Senator Robert Jackson, chair of the Committee on Cities; State Senator Kevin Parker, chair of the Committee on Energy and Telecommunications, and Assembly Member Al Taylor, chair of the Subcommittee on Regulated Mortgage Lenders.

Last November, Borough President Adams and Council Member Robert Cornegy, Jr., the chair of the Committee on Housing and Buildings, called for a full-scale forensic audit and investigation on the federal, state, and city levels into the issue of deed fraud in the borough of Brooklyn, including the role that the New York City Department of Housing Preservation and Development (HPD)’s TPT program may be unintentionally playing in defrauding homeowners of their property. In letters they sent to United States Attorney for the Eastern District of New York Richard P. Donoghue, United States Attorney for the Southern District of New York Geoffrey S. Berman, then-New York State Attorney General Barbara Underwood, Brooklyn District Attorney Eric Gonzalez, and then-Public Advocate Letitia James, Borough President Adams and Council Member Cornegy additionally asked for their partnership with the City Council to enact a temporary moratorium on TPT seizures and other foreclosures in Brooklyn such as to ensure that no illegal activity is occurring. Additionally, last October, State Senator Montgomery, Assembly Member Wright, and seventeen members of the New York State Black, Puerto Rican, Hispanic, and Asian Legislative Caucus requested a moratorium on the TPT Program until an investigation was conducted to determine if the most recent in rem foreclosure proceedings were in line with its original intent. The letter was addressed to the New York State Court of Appeals and

Unified Court System, Mayor Bill de Blasio, then-New York City Department of Buildings (DOB) Commissioner Rick Chandler, New York City Department of Finance (DOF) Commissioner Jacques Jiha, and HPD Commissioner Maria Torres-Springer.

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