

**ALBANY OFFICE**  
LEGISLATIVE OFFICE BUILDING, ROOM 415  
ALBANY, NEW YORK 12247  
(518) 455-2529  
FAX (518) 426-6909

**DISTRICT OFFICE**  
32-37 JUNCTION BLVD.  
EAST ELMHURST, NEW YORK 11369  
(718) 205-3881  
FAX (718) 205-4145

**NEW YORK**  
**STATE**  
**SENATE**  
ALBANY, NEW YORK 12247



**SENATOR JOSÉ R. PERALTA**  
13TH DISTRICT

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**MEMBER:**  
NYS BLACK, PUERTO RICAN, HISPANIC & ASIAN CAUCUS

February 7, 2012

The Honorable Andrew M. Cuomo  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

Re: The New York State Foreclosure Prevention Services Program

Dear Governor Cuomo:

It is estimated that the number of New Yorkers statewide at risk of losing their homes to foreclosure is greater than the combined populations of Buffalo, Syracuse and Rochester. As you know, Queens has consistently been at or near the top of the list of counties in the State hardest hit by the foreclosure crisis.

A recent study conducted by the New York Federal Reserve Bank shows that 1 in 9 home mortgages in Queens are seriously delinquent (90+ days late or in foreclosure). Queens has been harder hit by foreclosures than any other New York borough. And in Queens, some of the communities we represent, including Jackson Heights, Far Rockaway, East Elmhurst, St. Albans and Corona, have been hit particularly hard by the crisis.

We appreciate your concern for the magnitude and devastating impact the foreclosure crisis has had. We were encouraged by your recent announcement to create a Foreclosure Relief Unit. Funding for the existing Foreclosure Prevention Services Program, however, runs out next month. We are concerned that the relief unit will not be operational by then or be as effective as the Foreclosure Prevention Services Program in keeping families in their homes.

The housing counseling and legal assistance funded through the Foreclosure Prevention Program, and provided by organizations such as Neighborhood Housing Services of New York City and Queens Legal Services, among others, has proven invaluable to countless homeowners in our districts. Working with homeowners, the knowledgeable and well-trained staff members of these organizations have been able to help stabilize families, neighborhoods and local economies by using their skills to negotiate with banks to achieve the best possible outcomes.

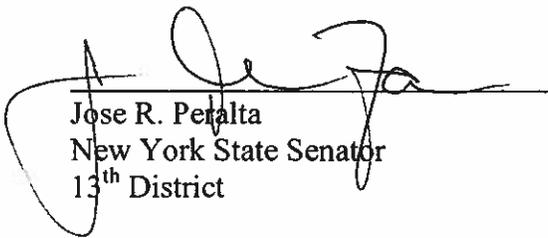
The program has prevented some 14,000 foreclosures and helped 80,000 homeowners.

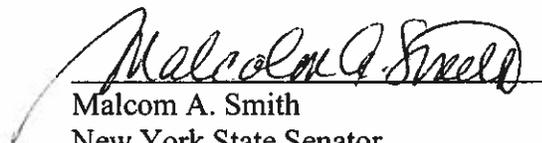
Given this track record, the modest cost of the program and the many families facing the prospect of losing their homes, we are writing to again respectfully request that you include \$25 million in the 2012-13 Executive Budget to support the continuation of New York's Foreclosure Prevention Services Program, which has been funded through NY Homes and Community Renewal since 2008.

Investing in foreclosure prevention saves money. Communities are severely impacted by the secondary effects of foreclosed and abandoned homes, including lost tax revenues and declining home values. Violent crime increases about 2.0 percent in a block if one house goes into foreclosure and by 5.7 percent if a second home is foreclosed. It is estimated that more than 35,000 children in New York City alone face the trauma and disruption of foreclosure and potential homelessness. Moreover, the availability of affordable rental housing is negatively impacted when homes are lost to foreclosure, as displaced homeowners strain the rental market and as affordable rental units in foreclosed properties are no longer available.

We are fully aware of the intense and competing demands you face in developing your Executive Budget in the current economic environment. However, we fear that the economic impact of the loss of Foreclosure Prevention Services Program would be absolutely devastating, particularly in several of the communities we represent. Again, we respectfully urge you to commit to the continuation and funding of the program and stand ready to provide you with any additional information you may need to do so.

Sincerely,

  
Jose R. Petalà  
New York State Senator  
13<sup>th</sup> District

  
Malcom A. Smith  
New York State Senator  
14<sup>th</sup> District