



**JOINT HEARING TO EXAMINE THE CRISIS FACING**

**HOMEOWNERS IN BROOKLYN:**

**TESTIMONY OF K. SCOTT KOHANOWSKI OF THE CITY BAR JUSTICE CENTER**

**Friday, March 15, 2019**

**Brooklyn Borough Hall**

Good afternoon Senator Montgomery, President Adams, Assemblymember Wright and honorable committee members. My name is Scott Kohanowski. I am an attorney and direct the Homeowner Stability Project at the City Bar Justice Center, the legal service affiliate of the New York City Bar Association. The City Bar Justice Center's Homeowner Stability Project provides free legal services to low and moderate income homeowners throughout the five boroughs either directly or by leveraging the pro bono resources of the private bar. The Homeowner Stability Project aims to preserve homeownership, stabilize communities, keep families intact and in place, address economic and social inequities, and protect the housing of the most vulnerable New York City residents, namely seniors, those living with disabilities, and individuals who belong to historically disadvantaged populations (such as self-identified LGBTQ folk, immigrants and people of color).

My testimony today is based on my experience on the frontlines of homeowner stability work for the last decade. I can say without reservation that this is a vital racial and economic justice project. The majority of our clients are African American and face a disproportionate level of home loss compared to other demographics. This is due to historic exclusion from lending opportunities, increased predation, and continued discrimination in lending and marketing practices.

For several years, I have staffed a friend-of-the-court clinic in the Kings County Courthouse Tuesday mornings in Justice Noach Dear's part, where all new residential mortgage foreclosure cases in Kings County are referred once they are released from the settlement conference part. We conduct intakes in that clinic, go over the options for unrepresented homeowners, sit with the defendants in the conferences, and determine if we can assist them on an ongoing basis including litigation. We also assist homeowners and heirs with other sorts of legal services such as protection from predatory lending and investing schemes, transfers of property to heirs following the death of a head of household, and financial, life and estate planning.

There are also unique issues that face senior homeowners, specifically diminishing capacity and lack of familial and community support to make sure homes are maintained physically and financially. Increasing property taxes pose a particular risk for seniors on reduced retirement or fixed income. They may be eligible for senior tax exemptions and enhanced STAR but there are

procedural hurdles that make it very difficult for the most vulnerable seniors to access those entitlements from the Department of Finance. Many seniors also don't know who to trust and are bombarded by predatory investors and other scammers. There is an active underbelly of real estate practitioners whose sole job is to divest homeowners from the accumulated equity in their homes through artful tactics.

The need for high quality free legal services is huge and the City Bar Justice Center can meet only a small percentage of that need. We belong to a network of legal and housing service providers who have been funded by the NY State Attorney General for the last 7 years but that funding is set to end this month. Those services have protected countless households in the last decade and have allowed communities to thrive because their members can focus on personal development instead of whether they will have a safe place to live. We have transitioned the Homeowner Stability Project into a pro bono project to try to address what will be an even greater need once the foreclosure funding ends. At this point I am triaging cases. I am gravely concerned what the loss of funding will mean to New York City's most vulnerable residents.

Thank you for drawing attention to these important issues for low and moderate income homeowners. I am happy to answer any questions.