

HomeSmartNY

Testimony to Joint Legislative Public Hearing on the Executive Budget -- Housing
By Susan Cotner
Advocacy Co-Chair, HomeSmartNY

February 17, 2017

The Honorable Catharine Young
Chair, NYS Senate Finance Committee

The Honorable Herman D. Farrell, Jr.
Chair, NYS Assembly Ways and Means Committee

Dear Senator Young and Assemblyman Farrell:

New York State is still in the midst of a foreclosure crisis. Last month, in the Capital Region alone, 1,646 households received notices of intent to foreclose – the highest number in nearly 2 years. There were nearly 34,000 foreclosure filings statewide last year. Yet funding for foreclosure prevention services is ending as of September 30, 2017.

The Affordable Housing Partnership is a member of HomeSmartNY, a statewide network of housing counseling agencies. For the past 10 years, we have been collaborating with legal services to provide homeowners with assistance in obtaining fair mortgage modifications and payment plans to save their home.

Every day, housing counselors are working with families who have lost income because they have lost their job, their health or a loved one – and now they are facing the loss of their home. Foreclosure cases are complicated to resolve. This is what families have to say:

- “I tried 5 times to obtain a modification on my own; I truly felt at a complete loss
- “I submitted paperwork to the bank numerous times to keep my home after my husband died; I would have lost my home without the help and guidance
- “I needed help to understand the process because I don’t speak English very well – I was able to get a favorable outcome that was affordable”

Foreclosure prevention services not only help a family keep their home, but helps to stabilize communities, as the impact of a vacant home on a neighborhood and municipality is growing more costly. The investment in preventing foreclosures and vacancy is a fraction of the cost to rebuild an abandoned house, recover lost property taxes and to pay for increased city services as a result of a foreclosed property.

Foreclosure prevention services are available in every county in the state and the counselors are well trained and connected to legal services and mortgage servicers. There is no federal funding for services, and we are committed to not charging fees to our customers in economic distress. We ask that New York State provide \$10 million to extend services during the upcoming fiscal year, and \$20 million for FY 2018-19. New York should remain a national leader in ensuring consumer protections are available to all its citizens.

For more information, contact Susan Cotner, executive Director, Affordable Housing Partnership and advocacy co-chair for HomeSmartNY, 518-434-1730 x 403 or scotner@ahphome.org.