

Written Testimony of Laura McKenna, Marketing Manager of Neighborhood Housing Services of Brooklyn

**New York State Senate Housing Committee Hearing on Deed Theft  
October 27, 2022**

Greetings Housing Committee Chair, members of the Housing Committee and the New York Senate body at large.

My name is Laura McKenna and I am the Marketing Manager for Neighborhood Housing Services of Brooklyn CDC, Inc., a HUD-approved not-for-profit housing organization.

Our mission is to provide resources to underserved neighborhoods with a focus on first time homebuying counseling and housing preservation. This year marks our 40<sup>th</sup> anniversary in being of service to the Brooklyn community.

It's not a stretch to say that real estate in New York City is like oil in Texas; it's an invaluable resource. Manhattan and Brooklyn in any given month ranks in the top three of the cities with the most expensive real estate markets in the nation.

The dark side of the real estate boom is that it has fueled deed theft, a ruthless action to steal the title of many of the City's homeowners, many of whom are Black and Latino, immigrants, and first-generation property owners of 1- 4 family units.

The most vulnerable residents of deed theft are those homeowners facing possible foreclosure and seniors who are either isolated or experiencing health issues. The hardest words to tell a family in despair with few options are "I'm sorry but there is nothing we can do." Oftentimes they came to organizations like ours when it's too late after the deed has been signed over and the property sold to another party turning the once proud homeowner into a squatter.

Another painful fact is quite often while being unethical and disastrous, the theft is surprisingly legal as the homeowner was duped into signing blank documents or paperwork they didn't understand -- believing they were receiving a repair loan or a mortgage modification when in actuality the homeowner was transferring their deed away.

A question that is frequently left unanswered, is in the few cases where the perpetrators are found guilty of fraud by the courts, how are the victims repaired. In many instances the fraudsters cleverly stole the property, sold it, while still leaving the former homeowner responsible with the mortgage debt.

For the last 12 years organizations like NHS Brooklyn in partnership with other organizations and the State Attorney General have participated in door knocking campaigns, held countless workshops and townhalls informing homeowners of the dangers of deed theft and predatory lending and the proper actions to take if they become delinquent with their mortgage payments.

Since the end of the foreclosure and eviction moratorium in January of 2022, there has already been an uptick in pre-foreclosures. According to Property Shark, an online real estate data source, Brooklyn had a 23% increase in pre-foreclosures in the first quarter of 2022 compared the first quarter of 2020.

We are extremely concerned that the rise in foreclosure number will lead to increase incidents of deed theft. Thank you for your time.