

November 29, 2018, ALBANY, NY - Organizations that fight mortgage fraud, mitigate foreclosures and stop the flow of zombie properties that destabilize neighborhoods face elimination of services by March 31. Communities First proposal would help housing and legal services nonprofits continue to provide home-saving services state-wide.

In a letter sent Thursday to Governor Andrew Cuomo, a statewide network of nearly 167 advocacy organizations, as well as businesses and labor unions, requested \$20 million in state funding to continue vital housing counseling and legal services programs that will otherwise be forced to greatly curtail operations or close their doors on March 31, 2019. The network has already helped over 100,000 New York homeowners — primarily working and middle-income families and New Yorkers of color — avoid being displaced because of foreclosure, scams or mortgage distress.

The network's services, previously funded through bank settlements funds that are nearly completely depleted, are desperately needed throughout the state. In 2017, there were 20,000 new foreclosure cases filed in New York. This year, the number of 90-Day Pre-Foreclosure Notices—a signal of mortgages going into foreclosure—is projected to be even higher than the year before.

Funding for the network will run out at the end of the current fiscal year. The "Communities First" proposal being advanced by the coalition will allow organizations from Long Island to Buffalo to continue providing services that promote strong and healthy communities.

The plan includes a regionalized approach to combat urgent housing issues across the state, including:

- The flow of zombie properties that destabilize neighborhoods
- Mitigate distressed mortgage foreclosures to prevent families from being displaced
- Stop property scammers from stealing people's homes
- Support the state's seniors during reverse mortgage foreclosure settlement conferences, a growing problem for older homeowners

For the last decade, New York State's network of housing counseling and legal services providers has been delivering services to homeowners in every county and helped municipalities, courts, and community stakeholders to redress threats to stable communities and to create a foundation for this next phase of recovery from the financial crisis. The broad ranging group of organizations asks that Governor Cuomo include funding for Communities First to integrate consumer protection, neighborhood revitalization and housing stabilization into a model that ensures homeowner services will continue after current funding ends on March 31, 2019.

"Homeowners 50 and older - particularly those of color — face the highest risk of foreclosure and are the most vulnerable to mortgage and deed theft scams. AARP urges Governor Cuomo to continuing funding for these effective housing counseling services, which help New York's most vulnerable keep their homes — and avoid much costlier public assistance," said **AARP New York State Director Beth Finkel**.

"New York's housing affordability crisis is putting working families and our communities at risk. Over the years, the state has built an effective statewide network of experienced advocates and counselors, and with Communities First we will continue to use that network to promote resilient neighborhoods and fight displacement of homeowners and their tenants," said **Christie Peale, Executive Director of the Center for NYC Neighborhoods**, which promotes and protects affordable homeownership in New York. "We're proud to support our partners in this statewide coalition, and call on the Governor to put Communities First and allocate state funding for this critical work."

"Here in Monroe County, every homeowner facing foreclosure has access to a dedicated network of service providers, from housing counselors to attorneys," said **Fiona Wolfe, Staff Attorney, Empire Justice Center**. "We have worked hard to build connections on all sides of the foreclosure process — including courts, bank attorneys and municipalities — and we are constantly strengthening our delivery model for the benefit of the community. Housing issues can impact anyone, and nobody should have to struggle alone. Communities First will help to tie together homeownership and community stabilization that is being done across the spectrum of needs and will allow Empire Justice and our partners to continue this important work."

"This is the right thing to do for so many reasons," said **Raun Rasmussen, Executive Director of Legal Services NYC**. "Communities First advocates and mortgage counselors fight mortgage fraud, mitigate foreclosures and stop the flow of zombie properties that destabilize neighborhoods. Funding their services will help families keep their homes, strengthen communities, and save the State a tremendous amount of money."

"Intervention by New York State to protect homeowners in response to the foreclosure crisis has saved homes, and protected communities across Long Island," said **Ian Wilder, Executive Director of the Long Island Housing Services**. "These actions by New York State, from creating judicial procedures that demystify the foreclosure process to funding

professionals to assist struggling homeowners, have made it a national leader. As Long Island still struggles to recover from the foreclosure crisis, we need the continuing support of New York State more than ever.â€

â€Northfield Community LDC of Staten Island, Inc. embraces the slogan â€Every Heart Needs a Home,â€™ as we experience daily the challenges faced in our community,â€ said **Joan M. Catalano, Executive Director of Northfield Community LDC of Staten Island, Inc.** â€Communities First will provide an expansive approach to community stabilization and affordable housing, beyond foreclosure intervention, but including this vital service.â€

â€With three of the top five counties in New York State, according to mortgage foreclosure rate in our service area, demand for Legal Services of the Hudson Valleyâ€™s (â€LSHVâ€) foreclosure prevention services remains very high,â€ said **Lara Kasper-Buckareff, Esq., Director of Foreclosure Prevention, Legal Services of the Hudson Valley.** â€In 2017 alone, LSHV handled 1,016 foreclosure cases, impacting 2,787 household members, including 417 seniors, and prevented 321 foreclosures. The continuation of foreclosure prevention funding is crucial to ensure that Hudson Valley homeowners receive the critical legal services that they need to avert foreclosure and zombie properties.â€

â€Finally, this year, reverse mortgage foreclosures were given the protections of the New York State settlement conference process. These protections for older adults are meaningless, however, without access to representation,â€ said **Karen L. Nicolson, Esq., CEO, Center for Elder Law Justice, Co-Trustee, WNY Coalition Trust.** â€Unfortunately, reverse mortgage foreclosures are on the rise in New York State. By funding the Communities First Program, Governor Cuomo can take a huge step toward reducing senior homelessness.â€

For more information, please contact:

Seth Hoy, Director of Communications. (646) 442-3575