

New York, NY (March 3, 2023) – Statement from Empire Justice Center's Senior Attorney, Kirsten Keefe, and Director of Foreclosure Prevention at Legal Services NYC, Jacob Inwald, on Gov Hochul's 30-day amendments to budget which did NOT include funding for the Homeowner Protection Program:

The Homeowner Protection Program (HOPP) funding campaign is extremely dismayed, and very concerned for New York State homeowners, that the Governor failed to include HOPP funding in her executive budget or 30-day amendments released today. The advocates of this network of 89 housing counseling and legal services non-profits serve every county of the state, representing thousands of struggling homeowners in the judicial foreclosure process, assisting with loan workouts and Homeowner Assistance Fund, loan modification or other loss mitigation applications, defending tax lien foreclosures, redressing deed theft scams and providing a range of other services as the only providers working to preserve existing homeownership in the state.

The campaign is grateful for the support shown by Housing Chairs Kavanagh and Rosenthal along with many members of the legislature during this week's housing budget hearing. The state's mortgage default rates remain at record high levels, especially in communities of color, where mortgage default rates are more than double those for white homeowners. After ten plus years, HOPP has a proven track record as a reliable, cost-effective program with over 500 employees dedicated to preserving homeownership and preventing displacement and gentrification, particularly in the Black and Brown communities historically targeted for predatory lending which disproportionately bear the brunt of foreclosures. HOPP is not only cost-effective because it stabilizes communities and preserves property values on which local government revenues depend--it is the state's most important bulwark against deed theft and other scammers preying on distressed homeowners seeking to avert foreclosure, who are always ready to pounce and strip equity and destabilize New York's most vulnerable communities.

HOPP is run by the New York State Office of the Attorney General providing state funding to 89 nonprofit legal services organizations and housing counseling agencies, serving every county across the state. Prior to HOPP, over 90% of foreclosure cases ended in default judgments, meaning the home was lost. That number fell to less than 15%, thanks to homeowners being connected with HOPP providers. Pre-pandemic, home-saving loan modifications were achieved in 25%-35% of the cases, conservatively estimated. HOPP assists hundreds more to save their homes through other home retention workouts and tax foreclosure assistance. Even where homeownership cannot be preserved, HOPP agencies help families to avoid auctions and evictions saving the state billions in property preservation, tax loss and ancillary costs to communities that result from vacancy and homelessness."

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