



## Summit eyes foreclosures

By Amy Zimmer

December 13, 2007

CUNY GRADUATE CENTER. The city is bracing itself for an anticipated wave of foreclosures.

While the city is launching a new independent nonprofit next month to help New Yorkers at risk get legal services, counseling and education, the the Dept. of Housing Preservation and Development held a summit yesterday to bring together state and federal officials with banks and local groups.

“It really is an unprecedented situation for many of us who weren’t alive during the Great Depression,” said Sarah Ludwig, founder of the Neighborhood Economic Development Advocacy Project, citing how the number of pre-foreclosure filings, which were roughly 7,000 in 2005 are expected to exceed 14,000 this year. “No one enjoys saying this, but next year expects to be worse.”

A pilot program, Preserving Assets and Community Equity, that HPD launched two years ago to help homeowners in Southeast Queens, Bushwick, Bed-Stuy and the North Bronx was “woefully underfunded,” compared to the new one’s \$5.3 million budget. It will be citywide and add 24 more foreclosure prevention counselors, 20 new paralegals and lawyers and more outreach workers, Ludwig said.

“The vision for the center is to be clearinghouse to get servicers to the table,” she added. “There is now a strong recognition that industry must be part of the solution.”

Most people who visit affordable housing nonprofit Neighborhood Housing Service had loans payments “they were not able to make from day one,” said Sarah Gerecke, NHS CEO. “They are shocked they cannot live in their dream home for life. They didn’t know what was represented to the bank was different from what was represented to the originator.”

Housing Commissioner Shaun Donovan said loan modifications “made sense,” and that “clearly, enforcement is needed” to stop fraudulent practices. “If someone can’t afford to pay a loan, it’s not a loan they should take,” he said. “We need to expand both common sense and regulations on how these loans are made.”

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