



Staten Island Advance

15 percent of callers to foreclosure helpline were from the Island **More than 1,000 people overall contacted number set up by city comptroller**

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By KAREN O'SHEA

STATEN ISLAND, N.Y. -- More than 1,000 people called the city comptroller's three-month-old Foreclosure Prevention Helpline, with 175 of those phone calls, or 15 percent, from distressed Staten Island homeowners.

Comptroller William Thompson was expected to announce today the borough breakdown of callers, people often struggling to pay high-interest, subprime loans. Subprime loans are fueling a surge in foreclosures on a national and local level.

Jeff Simmons, a spokesman for Thompson, said the office will continue to staff the helpline at 212-669-4600 . It was established in late April and is run out of the comptroller's community action center. Operators typically link callers with certified counselors at the U.S. Department of Housing and Urban and Development, Simmons said.

So far, operators have fielded a total of 1,150 calls, with 45 percent (518 queries) from Queens; 32 percent (366 calls) from Brooklyn; 7 percent (80 calls) from the Bronx, and 1 percent from Manhattan (11 calls).

The helpline also has fielded inquiries from New Jersey, Connecticut and as far away as Florida, Simmons said.

"It's troubling, because we never expected so many calls," he said yesterday.

Many people indicate they are having trouble paying adjustable rate mortgages after low teaser interest rates expire and mortgages adjust higher, he added.

"When the interest rate and monthly payment changes take effect, usually within two years, the ARM interest rate can increase drastically and continue to climb by more than 1 percent and up to a maximum of 16.1 percent throughout the terms of the loans in some instances," Thompson said. "As a result, monthly payments balloon hundreds of dollars, costing thousands of dollars more each year. These monthly payments simply become unmanageable and can mean that a family will lose their home."

Subprime loans carry higher interest rates than normal but can be an important assist for people with poor credit. They can become abusive when a buyer is given a mortgage that's unaffordable from the start.

The rate of subprime lending in the borough tripled between 2002 and 2005, according to a report from the New York University's Furman Center, and the borough has struggled with rising foreclosures.

According to the Neighborhood Economic Development Advocacy Project, a Manhattan-based nonprofit, there were 986 foreclosure actions filed on Staten Island last year. The nonprofit estimates that number could climb to 1,600 by the end of this year because of adjustable rate mortgages.

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