



Foreclosure Frenzy

Reported by: [Jeff Saperstone](#)
Email: jeffsaperstone@fox23news.com
Videographer: [G. Finley](#)
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It's being called a foreclosure crisis nationwide, nearly a half million homes targeted for foreclosure, tens of thousands in New York State alone. Much of it is being blamed on that subprime mess.

The Dow Jones plummeted over 360 points Thursday. Part of the reason is tied to the skyrocketing foreclosure rates just released on the same day.

Those numbers have grabbed the attention of New York's Attorney General Andrew Cuomo who is filing a lawsuit against a major real estate firm, accusing them of conspiring with the nation's largest savings and loan companies to inflate home values. Now one group is pushing for action to help bail out the victims.

One advocacy group is calling on the state to earmark millions of dollars to help New Yorkers with those subprime loans they can no longer afford.

49,000 foreclosure actions were filed in New York State during the first half of 2007. That is according to the group New Yorkers for Responsible Lending. Nationally, foreclosures are at nearly 470,000 from July to September. That's up 100 percent from a year ago.



And on Thursday, Attorney General Andrew Cuomo announced he's filing a lawsuit claiming real estate firm e-appraiseit colluded with the nation's largest savings and loan companies to inflate home values.

Cuomo said, "The evidence is damning in my opinion...the appraisal process is a systematic weakness in the housing industry."

Douglas Engels said, "There's certainly concern for those homeowners who find themselves in a difficult situation with respect to their financing."

Many of the foreclosures are being blamed on the subprime loan mess where homebuyers opted for cheaper adjustable rate mortgages where monthly mortgage payments started low but have now risen to much higher rates.

One realtor tells us the foreclosure crisis really hasn't hit the Capital Region that hard because he says homebuyers in this area are pretty conservative.

Engels said, "In our area most people always want a fixed rate - they're conservative."

In fact real estate broker Douglas Engels says he can count on both hands the number of internet mortgage transactions they've seen in their office. Most people around here he says are sticking with local and national lenders providing 30 year fixed rates.

Engels said, "It's just not something that played well here people like to shake hands with the person they're doing business with."

That's why Engels says the housing market around this area is still pretty good especially with the job market on the up. He also does point out foreclosures are up in the Capital Region but it's not a crisis right here.

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