



NEW YORKERS FOR RESPONSIBLE LENDING

NEWS RELEASE

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NEW YORKERS CALL ON GOVERNOR SPITZER TO STEM STATEWIDE FORECLOSURE CRISIS

New Yorkers for Responsible Lending Coalition Calls on Governor to Create Loan Remediation Fund for Homeowners Facing Foreclosure

NOVEMBER 1, 2007 – New Yorkers for Responsible Lending (NYRL) converged in Albany today to urge Governor Eliot Spitzer to take effective action in assisting the thousands of New York homeowners facing foreclosure. The NYRL coalition comprised of 136 civic and community groups from across New York State, presented a letter to the Governor on October 18, 2007, calling on him to include foreclosure prevention funding in his executive budget.

“We face a major, unprecedented foreclosure crisis in New York State, affecting thousands of homeowners as well as entire neighborhoods,” said Sarah Ludwig, executive director of the Neighborhood Economic Development Advocacy Project. “We are calling on the Governor to be part of the solution by ensuring that all New York homeowners facing foreclosure can obtain desperately-needed assistance and stay in their homes.”

New York State mortgage foreclosures in the first six months of 2007 roughly equal the total number of foreclosures in New York State for 2006. According to the New York State Banking Department’s report the 2007 Spring Review, more than 50,000 foreclosures were reported in New York for 2006, which was a 40% increase from the previous year. According to RealtyTrac, 49,000 foreclosures were filed in New York during the first six months of 2007. This foreclosure rate is highest in the subprime market, particularly for loans carrying adjustable rate mortgages.

New Yorkers for Responsible Lending presented the Governor with the following recommendations on October 18th:

- State Loan Remediation Fund – provide \$100 million to assist individuals facing foreclosure, and otherwise not eligible for public or private loan assistance.
- Housing Counseling and Education – provide \$5 million to support post-purchase and foreclosure prevention counseling, legal services, education, and outreach.
- Foreclosure Data Collection – require the NYS Banking Department to collect and make publicly available foreclosure data from counties throughout the state.

“Many older New Yorkers who had accrued a lifetime of equity in their homes were targeted by subprime lenders and are now faced with losing their homes” stated Lois Aronstein, AARP New York State Director. “Governor Spitzer has the opportunity to address this issue in the budget and ensure that citizens who have worked hard their whole lives do not lose their homes.”

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Examples of this can be seen across New York State. One affected homeowner, Louise Owens, an 80-year-old homeowner from Rochester, NY was targeted by an unscrupulous broker who changed the agreed-upon loans terms, sold her two loans instead of one, inflated her income, and otherwise charged her exorbitant interest rates and closing costs. Owens now spends more than 50% of her fixed income paying her monthly mortgage payments.

“Governor Spitzer needs to take the opportunity in his state budget proposal to bring a halt to this foreclosure crisis,” said Kathleen Lynch, an attorney with Western New York Law Center. “The problem in Western New York of people facing foreclosure is of great concern.”

“Nassau and Suffolk counties are reeling from the meltdown of mortgage industry in relation to the subprime marketplace,” commented Janet Hanson of Long Island Housing Services, Inc. “The RealtyTrac mortgage data states that 17,600 homes on Long Island are in pre-foreclosure, up for auction, or bank owned. This trend must stop.”

“With more than 50,000 foreclosure actions filed in New York State last year, and the numbers expected to get much worse, we need the Governor to step up and stem the crisis,” said Kirsten Keefe, an attorney with Empire Justice Center, which represents homeowners in foreclosure throughout upstate New York and Long Island.

New Yorkers for Responsible Lending is a coalition of 136 New York community financial institutions, community-based organizations, affordable housing and first time homebuyer groups, advocates for seniors, legal services organizations, and community reinvestment, fair lending, and consumer advocacy groups. For more information visit www.nedap.org/nyrl.html.

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