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NEW YORKERS FOR RESPONSIBLE LENDING

NEWS RELEASE

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NYS ASSEMBLY PASSES BILL TO END “DEED THEFT” SCAMS

STATE COALITION CALLS ON SENATE TO PASS BILL

New Yorkers for Responsible Lending, a state coalition of 121 groups, praised the NYS Assembly for unanimously passing the Home Equity Theft Prevention Act (A. 10057) yesterday, to protect vulnerable homeowners from “foreclosure rescue” scams. The bill, introduced in response to the alarming rise in home equity theft across New York State, is now before the NYS Senate. The coalition also called on the Senate to pass the bill without delay.

“We applaud Assemblyman Darryl C. Towns, Assembly Banks Committee Chair, for taking the lead on this important issue,” said Sarah Ludwig, co-director of the Neighborhood Economic Development Advocacy Project, a leader in the coalition. “Hundreds of New York seniors and low-income homeowners have been defrauded out of their homes by a growing array of companies and individuals that prey on homeowners facing foreclosure.”

“Deed theft is an epidemic in New York. Low and middle income homeowners who are targeted lose all of their equity and are evicted from their homes, while unscrupulous speculators who are completely unregulated by the state steal millions,” said Josh Zinner, Director of South Brooklyn Legal Services’ Foreclosure Prevention Project.

“Homeownership is a key component of an older person's net worth - these scams literally rob them of that key asset,” said Lois Aronstein AARP NYS Director. “AARP is now looking to the Senate to pass this legislation; New York homeowners cannot afford to wait any longer for these important protections.”

“My husband and I were tricked into signing documents when we were refinancing our mortgage to save our house from foreclosure. My house was stolen through deed theft and my family almost ended up in a shelter because of this,” said Michell Favez Olabi, a mother of six and founding member of Committee of Homeowners & Neighbors Gaining Economic Rights (CHANGERS), who, with her husband, is fighting to get her home back in the Rosedale section of Queens. “I am so thankful to the Assembly for cracking down on these criminals who steal people’s homes. No one else should have to go through this.”

“Wherever you go in the state, it’s the same horrible facts: seniors and lower-income homeowners in a desperate foreclosure situation sign over their deed to scam artists who promise to bail them out of foreclosure,” said Kirsten Keefe, an attorney with the Empire Justice Center. “Within a short time, they realize they no longer own their homes and that the so-called business that they signed over their home to has no intention of ever selling it back to them. We need the Senate to pass the Home Equity Theft Protection Act (S.6924) now, so that we can end predatory deed theft in New York.”

The bill, A.10057 (Towns)/S.6824 (Farley), would require written disclosure to homeowners regarding the terms of the title transfer, and provide a right to cancel the deal for five days after signing the contract. It would prohibit making false statements regarding the home’s value, the foreclosure process, and any contract terms. The legislation would establish civil and criminal penalties for violating the law. Four states have enacted similar laws, including California, Minnesota, and Maryland, and numerous states have launched investigations into this fast-growing national problem.

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New Yorkers for Responsible Lending (NYRL) is a state coalition of 121 members, which promotes access to fair and affordable financial services and preservation of assets for all New Yorkers and their communities. www.nedap.org/nyrl