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Contact: Matthew Hassett, 646-786-0895, matthew.hassett@cnycn.org

**CENTER FOR NYC NEIGHBORHOODS CONGRATULATES REPRESENTATIVE MEL WATT ON
CONFIRMATION TO LEAD FHFA**

NEW YORK, NY – Yesterday, the Senate confirmed Rep. Mel Watt as the new director of the Federal Housing Finance Agency (FHFA).

Christie Peale, the Center’s Executive Director, said: “The Center for NYC Neighborhoods congratulates Representative Mel Watt on his confirmation to lead the Federal Housing Finance Agency. New York homeowners facing foreclosure deserve to have every option on the table to avoid losing their homes. The ability to reduce the principal owed on mortgages is one of the most effective ways to do this. We are hopeful that Representative Watt will reverse the decision to ban the use of principal reduction for mortgages guaranteed by Fannie Mae and Freddie Mac.”

With Fannie Mae and Freddie Mac controlling the majority of mortgages issued nationwide, policies set by the FHFA have serious ramifications for foreclosure prevention. Helping homeowners remain in their homes is essential for those communities that have been destabilized by the foreclosure crisis. Allowing principal reduction for mortgages held by Fannie Mae and Freddie Mac will bring much-needed assistance to New Yorkers with underwater mortgages. In New York State, almost 14% of homeowners owe more than their property is worth.

In New York City, the decline in value of almost a quarter of the city’s housing stock has made the need for principal reduction especially great. Indeed, the average amount of negative equity per underwater homeowner in New York City is over \$125,000. Reducing these loan amounts to reflect actual property values can finally begin to correct the devastating consequences of the housing crisis and pave the way to a true economic recovery.

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About the Center for New York City Neighborhoods

The Center for NYC Neighborhoods was created in 2008 in response to the foreclosure crisis through the collaborative efforts of Mayor Bloomberg, the New York City Council, community advocates, foundations and corporate leaders. The Center’s mission is to promote and protect affordable and sustainable homeownership in New York City. As the central hub of a diverse network of service providers, the Center leverages private and public resources to ensure that homeowners citywide have access to high quality foreclosure prevention services. Visit cnycn.org or twitter.com/cnycn for more information.