

A.G. Schneiderman Announces Program To Help Homeowners Avoid Foreclosure

New York State Mortgage Assistance Program (NYS MAP) Will Provide Loans To Families Struggling To Avoid Foreclosure

Program Will Bridge Struggling Homeowners To Affordable Mortgage Modifications

HEMPSTEAD — Attorney General Eric T. Schneiderman today announced the launch of the New York State Mortgage Assistance Program, or NYS MAP, which will provide small loans to families struggling to avoid foreclosure. The loans will assist families in securing mortgage modifications and result in more families staying in their homes. The program is an enhancement to the Attorney General's Homeowner Protection Program (HOPP) which provides struggling borrowers with free legal and housing counseling services, and has served more than 28,000 homeowners across the state since the launch of the program in October of 2012. Today's announcement will be detailed at a Nassau County Town Hall in Hempstead and will outline the terms of the program including the decision to roll out NYS MAP in Long Island first; recognizing that the region has been particularly devastated by the foreclosure crisis. Applications from Long Island families will begin being processed on September 15. Borrowers in the rest of the state can apply beginning October 15.

“For many families across New York State, receiving a small loan through this program will mean the difference between a mortgage modification and the loss of a home. It's hard to imagine a better investment in communities and families still feeling the effects of the housing crisis,” said **Attorney General Schneiderman**. “We know that our Homeowner Protection Program has had real results, helping thousands of families keep their homes. I'm pleased to announce that the Mortgage Assistance Program will go even further, providing a lifeline to families still in need.”

In the course of its work mitigating the damaging effects of the housing crisis in New York State, Attorney General Schneiderman's office discovered that many families are being denied mortgage modifications as a result of small outstanding debts. Even families with reliable income streams are denied modifications due to things like a series of missed mortgage payments, delinquent second or third mortgage liens, or unpaid property tax bills which need to be satisfied before a first mortgage holder will grant a modification. By filling

the gap for families, the NYS MAP program will empower consumers to negotiate with their mortgage holders and ultimately remain in their homes.

Eligible loan uses will include, but not be limited to, paying off arrears including mortgage payments or unpaid interests and fees; paying down second or third mortgages; satisfying property tax liens or other liens that might lead to loss of homeownership; and supplying borrowers with a “matching” fund to achieve principal reduction or other beneficial first lien modification terms. Consumers will be eligible to apply for loans of varying amounts not to exceed \$40,000 per borrower, and the Attorney General anticipates that the program will have the capacity to disburse several hundred NYS MAP loans over the next 18 months. In all cases, a NYS MAP Loan will result in homeownership retention at the time the loan is made.

To access NYS MAP, homeowners will work with an existing HOPP counselor or legal aid provider to complete the application. Today, the Attorney General’s office launched the website www.nysmap.org where prospective applicants can find out about the program and get connected to a HOPP lawyer or counselor. Consumers can also contact the New York Attorney General Consumer hotline at 855-HOME-456.

The program is modeled after a New York City funded pilot program administered through the Center for New York City Neighborhoods (CNYCN). The Attorney General Program is working with CNYCN, as well as the Empire Justice Center, to assist in the operations of NYS MAP. Both agencies are contracted by the Office of the Attorney General to assist with the administration of the HOPP program.

“We are proud to partner with Attorney General Schneiderman, the Empire Justice Center, and all of the HOPP partners across the state on the New York State Mortgage Assistance Program,” said **Christie Peale, Executive Director of the Center for NYC Neighborhoods**. “Despite reports of an improving housing market, communities all over New York are still struggling from the impacts of the housing crisis, and homeowners are still fighting every day to keep their homes in the face of foreclosure. Thankfully, these loans will keep hundreds of families in their homes and in their neighborhoods.”

Ms. **Veneta Burton** is one example of how the NYS MAP program expects to change lives. Ms. Burton lives with her daughter and three grandchildren in the Bronx. After getting diagnosed with breast cancer, Ms. Burton fell behind on both her mortgage and her condo association payments. Soon after she received a foreclosure notice. Fortunately, Ms. Burton found her way to **Legal Services, Bronx NYC**, a HOPP grantee, who connected her with

the MAP pilot program. With her \$22,000 loan, she was able to pay down her mortgage and her condo association arrears, which also brought down her housing expenses by \$300 per month. “We would have lost our home to foreclosure without this program,” said Ms. Burton.

“For homeowners facing foreclosure a MAP loan can provide the extra financial assistance they need to bridge the gap to a successful workout or mortgage modification,” said **New York City’s Department of Housing Preservation and Development Commissioner Vicki Been**. “The city’s Mortgage Assistance Program has already helped more than 170 New York City homeowners stave off foreclosure. The New York State Mortgage Assistance Program will be another critical resource in providing the counseling and financial services needed to help New Yorkers keep their homes and find stable financial footing. I thank the Attorney General’s office for their commitment and partnership in our work to combat the foreclosure crisis.”

Housing Counselors and Legal Services providers outside of NYC are anxious to see NYS MAP expanded to their region, particularly those who are working in communities hit hardest by the foreclosure crisis. On a regional basis, Long Island has the highest distressed mortgage rate-- loans that are 90 days or more delinquent but not yet in foreclosure --across New York State at 11.1%. Certain communities on the Island have even higher rates such as Brentwood and Hempstead, whose rates are 24% and 28% respectively. For these reasons, the Attorney General has chosen to roll out NYS MAP in Long Island first.

Other areas across the State which will be eligible for the program later in the fall, continue to suffer the effects of the housing crisis. In the Hudson Valley, distressed mortgage rates in Newburgh and Spring Valley are at 16%, and Middletown is at 19%.

Across upstate and Western New York, the distressed mortgage problem is concentrated in certain communities, with the highest rates in Troy (9%), Rochester (7%) and certain neighborhoods in Buffalo, such as Kensington (10%). Overall, Erie County has the fifth highest distressed mortgage rate in New York State. Monroe County ranks the eighth highest for mortgage distress.

“The NYS MAP funds will provide a safety net for eligible homeowners and will serve as a critical tool for counselors to assist families in obtaining an affordable payment and home-ownership retention,” said **Marianne Garvin, President and CEO of the Community Development Corporation of Long Island**. “We are privileged to be part of the network

of providers under the New York State Attorney General Homeowner Protection Program (HOPP) and value Attorney General Schneiderman's ongoing commitment to New York.”