

## Limited lifeline for stressed homeowners

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With a housing relief bill signed last week by President Bush, some homeowners stressed over possibly losing their homes might get help. But many homeowners in New York City are already at the edge of desperation.

In our city, the housing mortgage and foreclosure crisis is getting worse. As the real estate Web site PropertyShark.com shows, scheduled foreclosures were up 67 percent this July, compared to the same time last year.

The federal housing bill will toss a lifeline to only a slice of homeowners in trouble. According of the Center for Responsible Lending, the bill could help as many 500,000 families stay in their homes. But that support, the Center points out, pales when looking at the big picture: millions of foreclosures are expected over the next few years.

Under the bill, some homeowners in trouble could trade in their loans for new, more affordable mortgages through the Federal Housing Administration. But their banks would have to agree to the swap as well as the loss they would take—a loss that could be less than costly and drawn out foreclosure proceedings.

In New York State, a bill approved in June provides some help to homeowners facing foreclosure proceedings. But that measure has been criticized for not providing defenses for families choked by bad loans—a situation that is too often spiraling into foreclosure.

Some organizations are trying to help homeowners avert foreclosure. The NYC Foreclosure Prevention Gap Loan Program, for example, is targeting no or low-cost financing to moderate income homeowners. The program by the Neighborhood Economic Development Advocacy Project and the Lower East Side People's Federal Credit Union is a welcomed initiative as families, and communities, struggle to keep the assets they have worked so hard for.

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