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With foreclosures on the rise, state remains without a remedy

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With the state's mortgage crisis worsening, the Legislature and Gov. David Paterson have yet to reach agreement on ways to help remedy the problem in New York.

And some housing experts yesterday warned that state lawmakers are running out of time to act, saying that New York now has 157 new foreclosure proceedings daily. The legislative session is scheduled to end in late June.

"It would be a scandal for the Legislature to end the session without passing subprime lending and foreclosure legislation," said Sarah Ludwig, co-executive director of the Neighborhood Economic Development Advocacy Project in New York City.

About 14,000 foreclosure filings were registered in New York in the first three months of 2008, up 40 percent from the same period in 2007, according to RealtyTrac, a California firm that tracks foreclosure-related actions nationwide.

Moreover, there were about 11,600 foreclosure filings among the top 10 counties during the first three months of the year. Queens and Brooklyn accounted for 32 percent, and Long Island 24 percent.

Monroe County had the largest number of new foreclosures upstate in March at 335, ranking it fourth statewide, according to RealtyTrac. Westchester County had 258 new foreclosure filings in March, and Dutchess had 116.

"It has been well documented that we are in the midst of a foreclosure crisis in New York state," Ludwig said.

The Democratic-controlled Assembly this month approved a moratorium on foreclosures for one year and other tighter provisions on lenders, such as requiring banks to verify borrowers' ability to repay loans. The state Senate has not come on board.

Paterson proposed his own legislation, including bolstering the state's Anti-Predatory Lending law and requiring negotiations between lenders and borrowers before foreclosure action takes place.

The Republican-led Senate held a public hearing last week on Paterson's plan. Mark Hansen, a spokesman for the Senate majority, said Paterson's proposal will be the "basis of negotiations for a bill to hopefully become law."

The banking industry opposes many of the proposed changes, saying, for instance, that New York has a 445-day wait period before foreclosure is completed and so a moratorium is unnecessary.

Meanwhile, people like Gloria Collery, a single mother who recently moved to Columbia County from Long Island, said she continues to wait for relief. She said she took out a home loan and was unaware that her interest rate soon would jump from about 7.3 percent to more than 11 percent, raising her monthly payments from \$1,200 to \$1,700.

"I think I was taken advantage of by the lender," she said at a news conference yesterday.

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