



NEW YORKERS FOR RESPONSIBLE LENDING

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For more information:

Sarah Ludwig, NEDAP 347-451-3742

Bill Ferris, AARP 518-447-6712

Kirsten Keefe, Empire Justice Center 518-462-6831

STATE-WIDE COALITION CALLS ON GOVERNOR AND LEGISLATURE TO ADDRESS FORECLOSURE CRISIS BEFORE END OF LEGISLATIVE SESSION

Albany, NY - New Yorkers for Responsible Lending (NYRL) pressed the Governor and State Legislature today to pass strong and comprehensive foreclosure prevention legislation before the legislative session ends in June. With only 5 weeks remaining in the legislative calendar, the Governor and the Legislature have yet to sit down together to develop a much needed legislative solution for New York's foreclosure crisis.

The coalition, comprised of 141 civic and community groups from across New York State, called for decisive action to address widespread subprime lending abuses and escalating foreclosures in New York State and prevent more New Yorkers from losing their homes. The coalition expressed support for the framework of Governor Paterson's proposal which has been introduced in both houses of the legislature, and encouraged strengthening of the bill to provide more meaningful protections for New York homeowners.

"There are 157 new foreclosures filings every day in New York State. The Governor and legislature must act now to stem this crisis," said Sarah Ludwig, co-executive director of the Neighborhood Economic Development Advocacy Project in New York City. "Inaction by our elected officials will cause great harm to New York homeowners and communities."

"With the end of legislative session fast approaching, the Governor and Legislative leaders of New York State need to put politics aside to negotiate and pass a final foreclosure prevention bill," said Lois Aronstein, AARP NY State Director. "When a person of any age loses his or her home, it is a devastating event. For an older person, foreclosure can mean losing a retirement nest egg as well as a lifetime of family memories - without the ability to ever recover."

"New York homeowners have been hurt by abusive mortgage lending practices - from rampant broker fraud to lenders making unaffordable subprime mortgages," said Kirsten Keefe, staff attorney with Empire Justice Center, which has offices in Albany, Rochester, White Plains and on Long Island. "The government seems to be waiting for lenders to solve the problem voluntarily, but that just isn't happening. It is critical that the Governor and Legislature show leadership on this issue."

Gloria Collery, a single mother from Long Island who moved to upstate New York to raise her four children, ended up in a loan that became unaffordable after two years, when the interest rate adjusted and her payments shot up. "I had great credit and was told that if I made my payments on time, which I did, my interest rate wouldn't increase. I never thought I'd be scammed. Now I'm at risk of losing my home," said Collery.

“For years, lenders have run a foreclosure mill in the New York courts, with lenders typically proceeding to foreclosure unopposed,” said Kathleen Lynch, Senior Litigation Attorney at the Western New York Law Center, in Buffalo. “The Governor’s bill would give homeowners a chance, by creating a mechanism that would encourage lenders and borrowers to try to work things out, early in the foreclosure process. These changes could save many homes in Buffalo and throughout the state.”

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New Yorkers for Responsible Lending is a coalition of 141 New York community financial institutions, community-based organizations, affordable housing and first time homebuyer groups, advocates for seniors, legal services organizations, and community reinvestment, fair lending, and consumer advocacy groups. www.nedap.org/nyrl.html.