



Assemblymember

***Michael P.
Kearns***

Foreclosure Relief Act



Dear Neighbor:

New and positive developments in the foreclosure laws have taken place this Legislative Session. Everyone needs to become active and involved to make sure neighborhoods receive the most help and relief.

The Foreclosure Relief Act has been created to help fight the "Zombie Crisis" in our communities since 2008. Proactive engagement by neighbors, courts, municipalities and banks is required to increase the likelihood of success.

The legislation will help to address the blight of vacant and abandoned properties by facilitating earlier detection and maintenance of these properties. The new law imposes a statewide duty of a mortgage lender or bank owner, or their agent, to maintain vacant one to four family-residential-real-property, even while a foreclosure action is pending.

The law requires periodic inspections to determine whether properties have been abandoned. Perhaps the most significant development of the new legislation is that it creates penalties against mortgage lenders of up to \$500 per property per day for failure to maintain these "Zombie" properties. The new legislation also empowers municipalities to enforce the maintenance provisions of the law. It creates a statewide registry for abandoned residential property under the supervision of the NYS Department of Financial Services, and a toll-free hotline for community residents to report the presence of such properties. Finally, it requires the court to give homeowners in foreclosures a consumer bill of rights that the Department of Financial Services would publish in consultation with all stakeholders.

Now more than ever neighbors and communities need to take four actions: 1) identify zombie properties in your community; 2) inform municipalities of the vacant and abandoned homes in your communities; 3) file complaints with the NYS Department of Financial Services about zombie properties (in Erie County you can also contact Assembly member Kearns at (716) 608-6099 or kearnsm@nyassembly.gov) and 4) if you know someone facing foreclosure provide them with the Attorney General's Hotline (855) 466-3456.

To reverse the effects of zombies will require engagement, education, enforcement and execution by all stakeholders interested in removing bank created blight in our neighborhoods.

All of us with zombie properties need to be active and informed concerning the new law's protections, so we meet the challenges of this crisis.

Sincerely,



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Foreclosure Frequently Asked Questions

Q: When in the foreclosure process do I have to move out of my house?

A: Legally you can live in your home up to the foreclosure auction. Oftentimes many homeowners vacate their homes before they have to due to threatening letters from lending institutions.

Stay in your home! You own the home until the title changes after the Foreclosure Auction is held.

Q: Will a foreclosure stay on my credit report? If so, How long?

A: A foreclosure will stay on your credit report 7 years from the Judgment of Foreclosure & Sale. However, until you have a resolution your credit will be affected from the time you are delinquent in payments.

Q: What are some of the impacts of living near a vacant and abandoned property?

- A:** Diminished property values
- Neighbors adjacent to the vacant and abandoned properties are at risk of losing homeowners insurance
 - Crime
 - Rodent Infestation

Q: Will the bank continue to pay the taxes after I default?

A: In most circumstances banks will pay your property taxes to protect their interest in the property, and avoid losing their investment through a tax auction. However, a bank may stop paying the taxes at any time if they decide the property is not worth their investment, leaving municipalities to clean up their mess.

Q: What can I do if I am at risk or have a foreclosure/ zombie property?

A: To file a complaint or to be connected with a foreclosure specialist, please contact the Attorney General's foreclosure prevention hotline at 855-HOME-456.
If you live in Erie County you can call The Western New York Law Center at 716-855-0203, ext. 110.

Q: Who do I call if I have a zombie property in my neighborhood?

A: The DFS Zombie Hotline (1-800-342-3736) and/or your local municipality; Assemblyman Michael P. Kearns' "Shame Campaign" at (716) 608-6099.