



February 7, 2021

New York State Legislature
2020 Joint Budget Hearing
Housing

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On behalf of the Affordable Housing Partnership, I submit this testimony in support of continued funding for New York's Home Ownership Protection Program ("HOPP"), which is the sole source of funding for the statewide network of housing counseling agencies and legal services agencies providing foreclosure prevention services for New York's struggling low and moderate income ("LMI") homeowners.

Since 2008, AHP has been helping homeowners in the Capital Region understand their options to preserve their home. We have helped equalize the relationship between homeowners and their lender by preparing owners to attend settlement conferences and negotiate with their lender to obtain affordable payment plans and modifications.

Throughout New York State, there continues to be a critical need for the Foreclosure Prevention Services Network:

- New York is seeing the highest delinquency rate ever: as of the end of 2020, 11.8% (10,393,141) of New York homeowners were delinquent on their mortgage (according to US Census Household Pulse Survey data). This rate is over three times the last high of 3.8% in January 2009 at the height of the great recession.
- HOPP preserves homeownership in communities of color. The foreclosure crisis following the great recession disproportionately impacted New York's communities of color, who were targeted for the predatory lending that precipitated that crisis. The COVID-19 pandemic has been no different.
- A complicated patchwork of federal and state programs has been developed which homeowners cannot navigate on their own. No uniform program has been established; FHA, Fannie Mae & Freddie Mac, and conventional lenders are developing independent programs to work with homeowners behind because of COVID. NYS enacted its own law on forbearance programs for New York- regulated lenders and mortgage servicers. Accessing

relief requires understanding the details of these various interventions and knowing who owns the loan in question and what program a homeowner may be eligible for.

If funding for the Homeowner Protection Program (HOPP) is allowed to lapse, majority of the state's existing foreclosure prevention program capacity will disappear overnight, leaving some regions with no service providers. HOPP has been the only dedicated source of funding for foreclosure prevention services.

We urge the New York State Legislature to include level funding of \$20 million in this year's budget so that the HOPP network can continue its great work addressing urgent housing issues and continuing to help homeowners in distress and foreclosure. The foreclosure moratorium is in place through April which means the flood of foreclosure filings will begin this summer, just at the time current contracts with the New York State Office of the Attorney General ends on July 15, 2021. If we are not here, scammers will flood into New York to take our place throwing homeownership issue across our state into a whole new crisis, and resulting in thousands more homeowners losing homes that could have been saved.

Please contact me at scotner@ahphome.org if we can provide additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SCotner', is positioned above the typed name.

Susan Cotner
Executive Director