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Housing

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My name is Eliezer Hecht. I am the Director of Labor and Industry of Education, Inc. (LIFE) and 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.

LIFE has proudly been providing a very specialized service to the homeowners of Nassau County for almost a decade. We are the only program in Nassau County which provides continuity of service across both counseling and legal platforms. No other agency provides this service. We have always been an invaluable agency ensuring *no gaps in service coverage to our clients*.

There is a need for the services LIFE provides which include attending Mandatory Settlement Conferences at Nassau County Court, submitting loan modification applications, helping with answers to the summons and complaint, advising clients of other options such as short sale, payoff and reinstatement. When Nassau County Court went virtual and decided to use Google Teams, LIFE was there to assist homeowners in logging on and attending their conferences remotely. At this time homeowners are finding it very challenging to handle the pandemic and navigate loan modifications submissions and Covid hardship requests. Our continuous guidance allows clients to understand the process and maintain hope during this troubling time.

HOPP funding allows LIFE to assist all homeowners in Nassau County regardless of income, age, race, etc. Homeowners can call our office prior to their first conference to receive guidance on navigating the foreclosure process. Anyone who attends their first conference without legal representation at court will have access to our attorney. It is imperative that funding continues.

Across New York State, the HOPP network comprises 88 non-profit housing counseling and legal services agencies that help New York homeowners, coop owners and condo owners avert homelessness and displacement by preventing avoidable foreclosures, combating mortgage fraud, deed theft, loan modification and partition scams, and challenging predatory and discriminatory lending and abusive mortgage servicing practices that disproportionately impact New York's most vulnerable communities—seniors and people of color. The network serves every county in New York State and all five boroughs of New York City, but current grants funding this vital network end on July 15, 2021, and at present no funding has been provided in the Governor's executive budget to continue this program even though the need for these services is more acute than ever before.

- 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; and over five times the delinquency rate of January 2020. Once foreclosure stays and moratoriums on new filings end during the spring, we expect a flood of new foreclosure filings that will drastically increase our already voluminous caseloads.

- HOPP preserves homeownership in communities of color. Statewide, 43% of clients served by our network providers are homeowners of color; in NYC, the number exceeds 75%. 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, with the health impacts and the economic pain felt more acutely amongst black and brown New Yorkers. On average, 15.72% of black homeowners in NY are delinquent compared to 7.53% of white homeowners since September 2020. (US Census Pulse Survey data)
- 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. Homeowners need help to ensure they can access relief and they need advocates to make sure lenders are complying with applicable federal or NY laws and regulations.
- For more than a decade, this network has been helping families in every county across New York State, and in each of the five boroughs of New York City, navigate complex housing challenges -- including mortgage fraud, scams, displacement, discriminatory lending and mortgage servicing -- and it has helped thousands of families to keep their homes and allowed them to stay in their communities. It has helped not just the individual families affected by foreclosures but the communities at large, by preventing displacement and by preventing the increased crime and reduced property values that accompany waves of foreclosure, which, in turn, adversely affect the local community tax base.

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.

If LIFE loses funding our agency will no longer be able to assist homeowners throughout the foreclosure process in Nassau County. Many homeowners cannot afford representation or housing counseling assistance. Homeowners have been impacted by COVID and need assistance.

Without this very important funding, homeowners may be forced to submit loan modification applications and attend conferences on their own. Homeowners may fall prey to scam companies offering to help in this process.

Individuals who currently work at LIFE may lose their employment, since LIFE would be forced to shut down our Foreclosure program.

Funding must continue to prevent the lack of continued service to vulnerable homeowners.

Not only will New York families suffer and face displacement; employees across almost 90 organizations are in danger of losing their jobs, and their expertise, along with the associated infrastructure in place that supports this network, which represents a substantial investment by the State of New York, will be discarded. [DESCRIBE HOW IT COULD IMPACT EMPLOYMENT IN YOUR AGENCY.]

There are also a number of laws and programs in New York State that depend on our services; HOPP service providers are embedded in New York's consumer protections enacted after the foreclosure crisis and now a permanent part of our foreclosure process, such as:

- Lenders are required by law to send pre-foreclosure notices specifically identifying counseling agencies serving the homeowners' county—the very agencies that will be no longer funded to do foreclosure prevention work if funding lapses.

Prior to COVID, LIFE would receive many phone calls and emails from homeowners looking for assistance in the foreclosure process prior to attending their settlement conference. Some homeowners needed help with answers, others needed representation at their first mandatory settlement conference and some wanted to understand how to save their home and move the foreclosure process along.

Many homeowners did not know what options were available to them to save their home. Our housing counselors would assist homeowners in submitting a loan modification application. The counselors would work with homeowners to identify all the documents that the bank needs for a complete application. Once the application was received the counselors would review the documents prior to submission. Once the application was deemed complete the counselor would send it to the bank or the bank's attorney (depending on where the client was in the process). If the bank or bank attorney sent a missing document letter, the counselor would work with the homeowner to submit the new documents timely. Once the homeowner received an offer or a rejection the counselors would guide them through the process with the help of the attorney on staff.

- Network providers are integral to NY's pioneering foreclosure settlement conference process, where we partner with the courts to staff clinics and conferences, and have been instrumental in drastically increasing the numbers of homeowners with representation at settlement conferences and in increasing the numbers of homeowners answering foreclosure complaints and preventing default judgments.

LIFE has been present at Nassau County Court's Mandatory Settlement Conferences on a daily basis when the courthouse was open for in person conferences. LIFE appeared at the conferences for the clients we had on any given day, but also was there to support and represent new potential clients who came to court without counsel. LIFE hosted answer clinics every Wednesday at court to help owners respond to their Summons and Complaints.

LIFE has a very good rapport with the court since LIFE attends court daily and understands the process and what is expected of us and each client over the past decade.

When court turned virtual LIFE was present everyday virtually to assist current clients and clients who needed assistance on that day.

The court understands that LIFE is there to assist anyone and everyone who may need help and often calls LIFE into conferences to assist homeowners who do not have representation. LIFE has earned the respect of the court and is an integral part of the mandatory settlement conferences at Nassau County Court.

Since 2012, the network had already helped 150,000 NY homeowners since 2012. Those receiving this assistance are working, low and moderate-income families, New Yorkers of color who were targeted for predatory loans, and seniors battling a wave of foreclosures on reverse mortgages. The network mitigates displacements from foreclosures, scams or mortgage distress and challenges abusive mortgage servicing by financial institutions and discriminatory lending practices such as reverse redlining, in which vulnerable communities are targeted for the most toxic of loan products. Most importantly, it levels the playing field, giving distressed homeowners, condo owners and coop owners an advocate in court and in negotiations with large financial organizations.

If a homeowner has been involved in a scam, LIFE assists the homeowner in reporting the scam to the Attorney General's office.

LIFE has also developed relationships with many of the usual bank attorneys representing the lenders/financial services at Mandatory Settlement Conference and are able to work with them to find a positive result for our clients.

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 combating 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.

For more information, please contact Eliezer Hecht at (516) 374-4564 Extension 1002.