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March 1, 2023

New York State Assembly Ways and Means Committee  
New York State Senate Finance Committee  
State Capitol  
Albany, New York

BY EMAIL TO [wamchair@nyassembly.gov](mailto:wamchair@nyassembly.gov) AND [financechair@nysenate.gov](mailto:financechair@nysenate.gov)

**Testimony of the Legal Aid Society of Rockland County, Inc.  
for Joint Legislative Public Hearing on 2023 Executive Budget Proposal:  
Topic: Housing**

Dear Senators Krueger and Kavanagh and Assemblymembers Weinstein and Rosenthal:

My name is Derek Tarson, and I am one of the Deputy Directors and the Foreclosure Project Director for the Legal Aid Society of Rockland County, Inc. (“LASRC”), which has provided legal services for indigent people in Rockland County since 1965. I submit this testimony on behalf of LASRC in support of 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 homeowners. ***The Governor’s proposed budget eliminates all funding for HOPP, even while professing to prioritize increasing homeownership—a goal that is hard to reconcile with cutting funding for the only statewide program that works to preserve existing homeownership.***

Last year, the Governor’s proposed budget included \$20 million in baseline funding for HOPP, and the Legislature, recognizing the increased need for homeownership retention services provided by HOPP in the aftermath of the pandemic, allocated a total of \$35 million in order to address the acute need for this network’s services. Last year’s request from the HOPP network sought a commitment for \$40 million annually for the subsequent years. Unless the legislature ensures that the Governor’s proposed elimination of the HOPP network does not go through, when the existing contracts conclude on July 15, 2023, there will be no funding for New York’s HOPP network at all, leaving struggling homeowners nowhere to turn except deed theft and distressed property consultant scammers, and wreaking havoc in the courts.

We are thankful for the Legislature’s consistent support for HOPP and we recognize that without the restoration of funding for this program every year when funding for it was excluded from the executive budget proposals, New York would have long ago lost its investment in the country’s most robust foreclosure prevention network. While last year’s inclusion of the bare minimum of the \$20 million needed to prevent the loss of the existing network in the executive budget was a welcome change and much appreciated, this year’s executive budget’s exclusion of

any funding for the HOPP network—New York’s only program focused on preserving existing homeownership, largely in communities of color—threatens the termination of this vital program just when it is most needed.

HOPP prevents foreclosures in rural, urban, and sub-urban communities in all New York counties. HOPP funding is special because it allows network providers to help all homeowners, regardless of income. Eighty-nine (89) non-profit law firms and housing agencies rely on HOPP funding to prevent New Yorkers from losing their homes to foreclosure.

According to U.S. Census Household Pulse Survey data, more than one quarter of a million New York households were at risk of foreclosure in February 2023. This is double the number of New Yorkers that were at risk of foreclosure during the height of the 2009 financial crisis. HOPP attorneys and housing counselors stand ready and able to protect these households from foreclosure in every county in New York State.

HOPP serves both middle-income homeowners and some of the most vulnerable populations in New York. Our clients include (1) seniors and disabled homeowners on fixed incomes, (2) middle class households suffering a temporary financial setback due to major illness or emergency, (3) domestic violence victims suffering from their spouses’ power and control over joint assets, (4) heirs who struggle to pay for surrogate’s court proceedings while staying current on tax bills.

New York legislation gives homeowners the right to be notified before a foreclosure action is commenced. The legal notices sent to homeowners name our local agencies as resources to prevent foreclosure. And we do.

HOPP-funded agencies prevent:

- mortgage foreclosures,
- condominium foreclosures,
- tax foreclosures,
- co-op foreclosures,
- homeowner’s association foreclosures, and mobile home foreclosures,
- deed theft schemes, and
- equity thefts

HOPP agencies also work together to uncover unfair, deceptive, and abusive trends in the real estate market. We are a talented pool of lawyers, housing counselors and support staff who protect homeowners from these abuses.

Foreclosure is an arcane area of law. Most professionals and homeowners do not have the specialized knowledge required to prevent foreclosure in a court of equity. Prior to HOPP, more than 90% of foreclosure cases ended in default judgment, meaning the home was lost. Today That number is below 15% now that homeowners are being connected to HOPP providers.

Foreclosures are prohibitively expensive because of interest, costs and penalties applied after default. HOPP allows thousands of homeowners in default to become current on their loans. HOPP funding preserves \$1.2 billion in home equity annually. HOPP saves homeowners and the government \$5 in tax and property costs for every \$1 spent on the program.

While we are grateful and supportive of Governor Hochul's budget proposals to address the housing crisis and build additional housing stock and supports, we were disappointed to see that HOPP was not included in the Executive budget. We respectfully request the Legislature's support for a full restoration and increase of \$40 million for the Homeowners Protection Program (HOPP) in the enacted budget.

***Foreclosure prevention services will end on July 16, 2023, without funding.***

Any action necessary to continue this essential funding for foreclosure prevention services is highly appreciated and recommended.

For more information, please contact Derek Tarson at [dtarson@legalaidrockland.org](mailto:dtarson@legalaidrockland.org)  
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