



**Testimony submitted in Support of the
Homeowners Protection Program**

Presented by

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Valley**

**Testimony Presented to
New York State Senate Finance Committee
and
Assembly Ways and Means Committee
2023 Joint Budget Hearing on Housing**

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Good morning, Senator Krueger and Assemblymember Weinstein, Senator Kavanagh and Assemblymember Rosenthal, and the other participants here today. My name is Tanya Dwyer. I am the Supervising Attorney for foreclosure prevention at Legal Services of the Hudson Valley (LSHV).

Thank you for the opportunity to speak to you today regarding funding for the Homeowners Protection Program, better known as HOPP.

The Homeowners Protection Program (HOPP) prevents foreclosures in rural, urban, and suburban communities in all New York counties. HOPP funding is special because it allows network providers to help all homeowners, regardless of income. Eighty-nine non-profit law firms and housing agencies rely on HOPP funding to do foreclosure prevention work.

More than one quarter of a million New York households were at risk of foreclosure in February 2023¹. This is double the number of New Yorkers that were at risk of foreclosure during the height of the 2009 financial crisis.² HOPP attorneys and housing counselors are ready and able to protect these households from foreclosure in every county in New York State.

HOPP serves middle-income homeowners as well as 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.³ And we do. We handle cases that prevent: :

- mortgage foreclosures,
- condominium foreclosures,
- tax foreclosures,
- co-op foreclosures,
- homeowner's association foreclosures, and mobile home foreclosures,
- Deed thefts, and
- Equity thefts

HOPP agencies work together to uncover unfair, deceptive, and abusive trends in the real estate market. A talented pool of lawyers, housing counselors and support staff work together to 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 judgments, meaning the home was lost. 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 funding 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. On July 16, 2023, HOPP funding will end, which will result in a reduction of representation and other services for our most vulnerable citizens facing foreclosure.

Thank you again for your time today. I am happy to answer any questions you may have.