



438 Main St, Suite 1200 ° Buffalo, NY 14202
175 Walnut St, Suite 1 ° Lockport, NY 14094
314 Central Ave, Suite 300 ° Dunkirk, NY 14048
(716) 853-3087
www.elderjusticenyny.org

Center for Elder Law & Justice
Testimony to the New York State Legislature
Joint Hearing of the Senate Finance and Assembly Ways and Means Committees

2026-2027 Executive Budget

Topic: Housing
February 25, 2026

Submitted by:
F. Alexander Ferhman, Supervising Attorney
Lindsay Heckler, Managing Attorney

Thank you, Chair Krueger and Chair Pretlow, for the opportunity to submit this testimony to the Joint Legislative Budget Hearing on Housing. This testimony is submitted on behalf of Karen Nicolson, CEO of the Center for Elder Law & Justice (“CELJ”). CELJ has been serving the Western New York region for over 40 years, providing free civil legal services to older adults, persons with disabilities, and low-income families. CELJ’s primary goal is to use the legal system to assure that individuals may live independently and with dignity. CELJ also provides for policy and systems change, particularly in the areas of housing, elder abuse prevention, nursing home reform, and consumer protection. Currently, CELJ provides full legal representation in ten counties of Western New York. CELJ’s Free Senior Legal Advice Helpline is open to all of New York State. CELJ operates a central office in downtown Buffalo, with three additional offices in Cattaraugus, Chautauqua, and Niagara counties.

We urge you to take the following positions regarding issues before this committee:

- [Support: Inclusion of \\$40 Million Dollars in the Executive Budget for the Homeowner Protection Program \(HOPP\) and Codify HOPP \(S.2627/A.1625\)](#)
- [Support: Housing Access Voucher Program](#)
- [Support: \\$75 Million for Eviction Defense](#)
- [Support: Rent Increase Exemption for Low Income Elderly Persons and Persons With Disabilities \(S.561/A.1863\)](#)
- [Support: Funding for a State-wide Civil Right to Counsel \(RTC\) in Eviction Proceedings](#)
- [Invest in Civil Legal Services](#)



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Support: Inclusion of \$40 Million Dollars in the Executive Budget for Homeowner Protection Program (HOPP) and Codify HOPP (S.2627-A/A.1625-A)

CELJ supports the continued funding of New York’s Homeownership Protection Program (“HOPP”), which is the sole source of funding for the statewide network of housing counseling and legal services agencies providing foreclosure prevention and homeownership preservation services for New York’s struggling low and moderate (“LMI”) homeowners. We are grateful to have been included in the Governor’s Executive budget proposal at the required \$40 million and need the support of both the Assembly and Senate to ensure this critical program is funded at the same amount in the Enacted Budget.

The Network further urges inclusion of S.2627-A (Kavanagh) / A.1625-A (Solages) in the one-house and adopted budgets to enshrine the HOPP program into law, affording homeowners consistent protections moving forward. This is especially critical as the new federal administration has taken serious actions to weaken financial regulators including the Consumer and Financial Protection Bureau and the Federal Trade Commission.

Across the State, the HOPP network comprises approximately 90 non-profit housing counseling and legal services providers who help New York homeowners, coop owners and condo owners avert homelessness and displacement by preventing avoidable mortgage and tax lien foreclosures; who combat mortgage fraud, deed theft, loan modification and partition scams; and who challenge predatory and discriminatory lending and abusive mortgage servicing practices that disproportionately impact New York’s most vulnerable communities—older adults and people of color. The network serves every county in the State and all five boroughs of New York City, but current grants funding this vital network end on July 16, 2026. A total of \$40 million is needed to ensure that the existing HOPP network is able to meet the existing need.

For the last two years, thanks to the legislature, HOPP funding was provided at \$40 million, after having been increased to \$35 million in the 2022-2023 budget year. Prior to that, the program had been level-funded at \$20 million for more than a decade with no increases to account for increased personnel and other costs. Those increases were needed to address drastically increased rates of mortgage and property tax defaults in the wake of the pandemic, in addition to ever-increasing threats to low-and-moderate-income homeownership posed by deed theft, partition and loan modification scams. Current contracts conclude on July 16, 2026 and we are hopeful that the legislature and the Governor will ensure that when the final budget is concluded, struggling homeowners facing threats from multiple fronts to stable homeownership will continue to be able to access the vital services provided by the housing counselors and legal advocates funded by the HOPP network. Without the HOPP network, homeowners have nowhere to turn for protection from deed theft and distressed property consultant scammers.

Even before the pandemic, New York continued to battle a foreclosure crisis brought on by the last recession, but in the wake of COVID-19, the need has become even more acute as New York homeowners across the state have suffered from lost employment and rental income from tenants.

New York is continuing to see high delinquency rates, especially in communities of color. According to U.S. Census Household Pulse Survey data, as of fall 2024, an average of 6% of New York homeowners were delinquent on their mortgage loans this year, with an average of 474,928 New York families at risk of losing their homes. These numbers show an increase in mortgage distress since the prior year, when the number of families at risk was 306,587. Court filings are also rising. According to New York State Unified Court System data, as of September 15, 2025, 9,401 new foreclosure actions were commenced statewide in 2025, and there were an additional 20,479 pending foreclosures across the State at the end of the year.

Even more stark are the disparities between white homeowners and homeowners of color: in September 2024, a monthly average of 13% of Black and Brown homeowners were delinquent, compared to 4.4% of non-Hispanic white homeowners in New York State. Preserving homeownership is very much a civil rights and economic justice issue, as foreclosure represents not just the loss of homes, but also the stripping of equity and generational wealth from communities of color. Homes lost to foreclosure, especially in urban areas, also represent the loss of affordable rental housing, as many of the homes include affordable rental units which are lost when they succumb to foreclosure and are purchased at auction by private equity real estate speculators. The loss of these homes to foreclosure also increases the significant disparity in homeownership rates for communities of color compared with white communities.

A complicated patchwork of federal and state programs has evolved in the aftermath of the pandemic that homeowners cannot navigate on their own, which is further complicated by the regulatory chaos emanating from Washington, where the federal regulators are under threat. FHA, Fannie Mae, Freddie Mac, and conventional lenders launched different forbearance plans and loss mitigation options for distressed borrowers, and New York State enacted its own law on forbearance programs for New York-regulated lenders and mortgage servicers.

The HOPP network has been helping families in every county across New York State and each of the five boroughs of New York City navigate complex housing challenges -- including mortgage fraud, scams, displacement, discriminatory lending and mortgage servicing. It has helped thousands of families keep their homes and stay in their communities, preserving existing affordable homeownership. 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.

The need for these direct service HOPP-funded providers is actually embedded in New York's consumer protections enacted after the foreclosure crisis, which are now permanent features of the judicial foreclosure process:

- Lenders are required by law to send pre-foreclosure notices specifically identifying counseling agencies serving the homeowners' county—*the very agencies that depend on the HOPP program for their funding.*

- HOPP network providers are integral to NY’s pioneering foreclosure settlement conference process, where they partner with the courts to staff clinics and friend of the court tables. These settlement conferences 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. Thanks to this network many homeowners facing foreclosure now have representation during the court settlement conference process, whereas prior to the network’s inception most homeowners had no counsel and most foreclosure cases resulted in default judgments in which homeowners did not have access to counsel for the judicial foreclosure process.
- Amendments to the settlement conference law provide homeowners attending their first conference a chance to avert default judgment and seek help from HOPP-funded legal services providers to file an answer to the foreclosure complaint, a right which, thanks to the HOPP funded agencies staffing conferences, has allowed thousands of homeowners to assert their legal defenses and counterclaims and to ensure accountability in the judicial foreclosure process.

There are also a number of laws and programs in New York State that depend on HOPP network services. HOPP service providers are embedded in New York’s consumer protections enacted after the foreclosure crisis, which are now a permanent part of our foreclosure process. Lenders are required by law to send pre-foreclosure notices specifically identifying counseling agencies serving the homeowners’ county—the very agencies that will no longer be funded for foreclosure prevention work if funding lapses.

HOPP agencies 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. Our advocates are not only a valuable resource to our clients, but to the Courts as well. Court staff often rely on our advocates to step in and represent clients so that they are not navigating their case pro se. This creates a process that allows the Courts to become more efficient while handling a flood of foreclosure filings.

The homeowners receiving help from HOPP agencies are working, LMI families, New Yorkers of color who were targeted for predatory loans, seniors battling a wave of foreclosures on reverse mortgages and tax and water liens, and families who have experienced illness or deaths that have landed them in financial distress. The network mitigates displacement from foreclosures, scams and mortgage distress and its advocates challenge abusive mortgage servicing by financial institutions and discriminatory lending practices such as reverse redlining, in which vulnerable communities were targeted for the most toxic of loan products. Of late, the HOPP network has been tackling the epidemic of “zombie second lien” foreclosures, pursued by debt buyers who

purchased for pennies on the dollar long-abandoned second mortgages, which were marketed during the heyday of predatory lending as toxic “80/20” loans targeted to communities of color. The originating lenders abandoned those underwater loans years ago, but with appreciating real property values, speculators and private equity are now attempting to foreclose on homes saddled with these second liens, even though the claims are largely barred by statutes of limitations.

With \$40 million in funding the HOPP network will be able to continue its great work and combat urgent housing issues across the state, including:

- Mitigating distressed mortgage and tax foreclosures, especially those suffering from the ongoing impacts of COVID-19, preventing displacement;
- Stopping scammers from stealing people’s homes and charging for loan modification services that are never provided, and stemming the tide of partition scammers preying on heirs and stripping equity from minority neighborhoods;
- Providing representation to the state’s seniors, who have been facing a wave of reverse mortgage foreclosures in recent years, who have only recently received the consumer protections New York has provided to other residential mortgage foreclosure defendants; and
- Addressing the latest wave of “zombie second mortgage” foreclosures, in which debt buyers have purchased long-abandoned second mortgages marketed to black and brown homeowners as predatory “80/20” loans and are now seeking to foreclose in order to pocket the equity in those properties

We URGE the New York State Legislature to include \$40 million in funding for HOPP 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. Moreover, we urge the inclusion of S.2627-A (Kavanagh) / A.1625-A (Solages) in the adopted budget to enshrine the HOPP program into law, affording homeowners consistent protections moving forward.

Support: \$250 Million for Housing Access Voucher Program and Make Permanent

Increasing the Housing Access Voucher Program (“HAVP”) from \$50 million to \$250 million and making the program permanent, ensuring long-term housing stability for low-income households. Last year, New York State created HAVP, a statewide rental subsidy for low-income families and individuals facing eviction, currently homeless, or facing loss of housing due to lack of affordability, domestic violence, or hazardous living conditions. The program is a four-year pilot with \$50 million a year funding. With its current allocation, the program will help about 1900 households. Yet the need is far greater. HAVP will help reduce costs to the state and taxpayers by preventing evictions, reducing emergency shelter utilization, and reducing the costs of other homeless services.



For example, CELJ has a client who is a survivor of domestic violence and was involved in an accident that left her disabled. Outside of HAVP, she will not have the funds to maintain stable housing. Rental assistance vouchers have a proven history in increasing stability for tenants. When tenants have stable housing, it leads to better outcomes in health, education, and employment. Low-income New Yorkers are struggling to afford to stay in New York. The State must increase the funding for the program to \$250 million a year and make it a permanent program.

Support: \$75 Million for Eviction Defense Funding

CELJ supports \$75 million investment for eviction prevention through the Office of Temporary and Disability Assistance, including support for New York City providers of \$30 million, and rest-of-state providers of \$45 million. This total includes the \$35 million proposed in the Executive Budget and an additional \$10 million to be added by the Legislature. These funds support a network of 31 collaborating organizations serving all 57 counties outside New York City and, as of September 30, 2025, have reached more than 137,000 individuals.

Continued investment in eviction defense keeps families housed, prevents displacement, and strengthens communities by promoting long-term housing stability. Eviction defense is also a proven, cost-effective investment that generates significant savings for state and local governments by reducing downstream costs for emergency shelters, foster care systems, healthcare providers, and local courts. By preventing unnecessary evictions, this funding improves health outcomes, supports educational continuity for children, helps residents remain connected to jobs and local economies, and ensures public resources are used efficiently to prevent crises rather than respond to them after the fact.

Support: Rent Increase Exemption for Low Income Elderly Persons and Persons with Disabilities (S.561-A/A.1863-B)

The Senior Citizen Rent Increase Exemption (SCRIE) and the Disability Rent Increase Exemption (DRIE) have made an incredible impact on the lives of older adults and individuals with disabilities in New York State. Supporting S.561-A/A.1863-B in the budget will lead to significant improvements in the program, which will reach far more individuals than in years past. SCRIE and DRIE provide rent freezes for eligible individuals who can not afford the rising housing costs in one of the most expensive regions in the country. Without this program, our most vulnerable populations would be subject to eviction filings, and with that, the potential for homelessness.

Despite the value of the program, enrollment has been historically low. A 2021 report by New York City Comptroller Scott Stringer found that only 49% of eligible individuals were enrolled in SCRIE and DRIE. The report also found that more than 121,000 older adults and just under 35,000 disabled individuals were eligible for the program but not enrolled. By improving awareness and outreach, this bill will ensure that more individuals are informed of the support that is available to



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them. Requiring certain agencies to provide tenants with information about these programs at critical junctions in the tenancy can be the difference between housing stability and homelessness. As an agency that focuses much of its' practice on serving older adults throughout Western New York, CELJ is strongly in support of this legislation, and we urge you to do the same.

Support: Funding for a State-wide Civil Right to Counsel in Eviction Proceeding

The Right to Counsel Coalition unites tenants, organizers, legal services providers, unions, faith communities and many others who are working to ensure that all New Yorkers across the state have a Right to Counsel when facing eviction. We and members of the Housing Courts Must Change! Campaign¹ collectively represent tens of thousands of tenants across New York State and are honored to work on permanent and transformative solutions to New York's eviction crisis.

The historic passage in 2017 of New York City's Right to Counsel law made NYC the first place in the nation to establish a Right to Counsel for tenants facing eviction, and inspired a movement across the country, which has now seen over 20 cities, states and counties win a Right to Counsel, including Westchester County in 2023.² The statistics speak for themselves: 84% of NYC tenants with a Right to Counsel lawyer have won their case and been able to remain in their homes; and default evictions as well as eviction filings have dropped dramatically. San Francisco saw a 10% drop in eviction filing rates in just one year after passing a universal RTC, and two-thirds of all represented tenants were able to remain in their homes. Cleveland found that within the first six months of having Right to Counsel, 93% of tenants with a Right to Counsel lawyer avoided eviction or an involuntary move.

Right to Counsel works. It's a solution with a proven track record of success everywhere it's passed. Yet while New York City led this charge, the majority of New Yorkers still lack this fundamental right. And with landlords suing over 175,000 New Yorkers for eviction, New York State needs Right to Counsel now more than ever.³ In many localities across the state, only a fraction of tenants facing eviction are represented. In Albany, for example, in 2022, less than 2% of tenants had an attorney, while the vast majority of landlords were represented. This rate of representation is even lower when it comes to affirmative cases to protect against neglect of repairs, harassment or illegal lock out. Most tenants outside of New York City experience housing court as a place that *only exists to facilitate eviction*—a place where they have little to no recourse to assert their own rights, in particular, their right to a safe, habitable home.

Tenant attorneys in Western New York are overwhelmed with incredibly high caseloads due to the skyrocketing eviction filings throughout the region. Many tenants are unable to obtain counsel as a result. Tenants who navigate evictions alone have a significantly lower chance of achieving

¹ <https://www.righttocounselnyc.org/hcmc>

² https://civilrighttocounsel.org/uploaded_files/283/RTC_Enacted_Legislation_in_Eviction_Proceedings_FINAL.pdf

³ <https://www.righttocounselnyc.org/evictioncrisismonitor>

success in their case – as represented landlords often steamroll them in the complex legal process. Additionally, tenant attorneys do not have the bandwidth to bring affirmative litigation to enforce tenants' rights to ensure they are living in safe and habitable housing. Having statewide Right to Counsel will help to create more tenant attorneys who can fill this gap in representation.

That's why we are now fighting, with over 100 statewide partners, for a Statewide Right to Counsel. A.4669 (Solages)/S.6772(Jackson) guarantees the right to a free attorney for all New Yorkers facing displacement across the state. Right to Counsel will allow for tens of thousands more tenants to be represented. It will allow for the hiring of more tenant attorneys, and it will equip them to fully litigate their cases and help ensure long-term housing stability for tenants. It will transform workplace conditions for legal providers and help us to compete nationally, attracting the next generation of civil legal talent to New York State. It will support organizers whose work is essential to ensuring tenants know what their rights are and how to use them. And it will establish a new state agency, the Office of Civil Representation, to oversee the Right to Counsel.

We urge you to support the funding and passage of Right to Counsel in the budget this year. As a society, we cannot stand by any longer while New Yorkers are forced into a confusing and traumatizing court system without counsel by their side, and as a result, face devastating consequences that could have been avoided. This right will keep New Yorkers in their homes, prevent an array of long-lasting harms to our families and communities, and save our state money in the long-term. New York has every reason to pass and fund Right to Counsel in the budget this year, and we count on your leadership to ensure this happens.

Invest in Civil Legal Services

CELJ, as a civil legal services agency, is part of the social safety net in New York State. Our services address unmet social needs, living environments, and barriers to accessing health care. These factors, known as social determinants of health (“SDOH”), have direct impact on an individual’s ability to age in place with dignity and independence. Access to civil legal services is one of the key factors to addressing SDOH and support older adults to remain a part of the community.

As detailed in CELJ’s written testimony for the Public Protection Hearing,⁴ we are deeply concerned that the Governor’s Executive Budget did not include full appropriation authority for the Interest on Lawyer Account (IOLA) Fund. The Executive budget included \$77.5 million, far short of the \$102.5 million IOLA requested and was approved by IOLA’s Board of Trustees. CELJ further urges the adoption of the Office of Court Administration’s proposed SFY 2027 Judiciary budget, which includes a \$25 million increase and a 3 percent cost-of-living adjustment, for a total of \$179 million in Judiciary civil legal services funding. This funding must remain flexible, allowing providers to respond to rapidly changing community needs, including housing instability, domestic violence, and the continued strain on low-income households. Moreover, maximum

⁴ <https://www.elderjusticenyc.org/policy-testimony/public-protection>



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flexibility will enable providers to address low salaries in our profession which contributes to the Justice Gap.

Thank you for the opportunity to submit this testimony. CELJ is available to answer any questions and provide additional information.

Contact: Lindsay Heckler, MPH
Managing Attorney
lheckler@elderjusticenyny.org
438 Main St., Suite 1200
Buffalo, NY 14202
(716) 853-3087 x212