

JournalNews



Free counseling, legal aid available to homeowners facing foreclosure

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People facing the possibility of losing their house to foreclosure can get free counseling and legal help to them stay in their home.

More than a dozen nonprofit organizations have received state money to assist residents in Rockland, Westchester and Putnam counties as part of a \$25 million statewide foreclosure-prevention program.

The agencies will work with lenders on the homeowner's behalf. In some cases, mortgage terms, interest rates and monthly payments may be renegotiated. Others may still have to move.

Alexander Roberts, executive director of Community Housing Innovations in White Plains, one of the agencies offering the counseling, said people shouldn't wait for a foreclosure filing to seek help. Anyone who has fallen behind on their mortgage payments or doesn't think they'll be able to make future payments should call.

"We are trying to keep more people in their homes to stabilize this situation," Roberts said.

There were just over 50,000 foreclosure filings in New York state during 2008, up 29 percent from 2007, according to the state Banking Department and RealtyTrac, a Web site that monitors foreclosure properties nationwide.

Last year, there were 2,722 foreclosure filings in Westchester compared with 1,521 in 2007, representing a nearly 80 percent jump.

In Rockland, the number of foreclosure filings dropped from 824 in 2007 to 636 in 2008, a 23 percent decline. It was a similar story in Putnam, where the filings decreased from 453 in 2007 to 411, representing a 9 percent decrease.

A new law may explain why there were fewer filings in Rockland and Putnam. The law, passed last year, requires lenders to notify property owners 90 days in advance before starting foreclosure proceedings. That period may provide enough time to work out a financial settlement.

The Rockland Housing Action Council has been receiving five calls a day from people fearful of losing their homes, said Gerri Levy, the executive director of the the Nanuet not-for-profit agency.

The housing group has been offering foreclosure prevention programs for more than a decade. It will receive \$350,000 from the state to work with 600 local homeowners during the next two years.

"Originally it was a lot of people who took the sub-prime loans but now it's hitting people who lost their jobs and had good loans, thirty-year fixed loans," Levy said.

After an intake interview, a counselor will determine what the person can realistically afford to pay. From there, they can attempt to re-negotiate terms of the loan.

If the counselor suspects unfair lending practices were involved, Levy said the housing agency will refer the case to the Rockland County District's Attorney or the county's Office of Consumer Protection for further investigation.

Last year, the state Legislature passed a law that imposed strict requirements on lenders to protect homeowners. The Foreclosure Prevention and Responsible Lending Act of 2008 requires that lenders must give at least 90 days notice before taking legal action.

They must also inform the homeowners of counseling agencies available to work with them.

Perhaps most important of all, the homeowner and lender must attend a settlement conference in court after a foreclosure is filed.

"It's all very new but the goal is to get a dialogue between the lender and homeowner going," said Charlotte Watson, an lawyer who joined Community Housing Innovations as a senior foreclosure counselor last month. "This is an opportunity for a settlement."

Roberts, executive director of Community Housing Innovations, said settlements have been slowed as lenders wait to see if Congress passes the proposed stimulus package. He said some financial institutions might be reluctant to settle now for less money when the government may buy back the bad loans at higher rates.

"This has been a major factor for prolonging the agony for thousands of homeowners," he said.