

**TESTIMONY OF THE NEW YORK CITY DEPARTMENT OF  
HOUSING PRESERVATION AND DEVELOPMENT  
TO THE NEW YORK CITY COUNCIL  
COMMITTEE ON HOUSING AND BUILDINGS  
JOINTLY WITH THE COMMITTEE ON ECONOMIC DEVELOPMENT  
REGARDING THE COMMUNITY RESTORATION FUND PROGRAM  
TUESDAY, FEBRUARY 14, 2017 – 1:00 PM**

Good afternoon, Chair Williams and Chair Garodnick, and members of the Housing and Buildings and Economic Development Committees. My name is David Quart, and I am the Deputy Commissioner of Strategy, Research, and Communications for the New York City Department of Housing Preservation & Development (“HPD”). Here with me today is Kim Darga, HPD’s Associate Commissioner for Preservation. We thank you for the opportunity to testify today on the Community Restoration Fund Program.

HPD recognizes that a number of neighborhoods across New York City are still struggling to recover from the collapse of the housing market during the great recession nearly 10 years ago, and that these issues must be addressed at a neighborhood level. Specifically, distressed properties in foreclosure can lead to neighborhood instability and physical deterioration when homeowners are unable to keep current on their mortgages or ensure proper upkeep of their property. By assisting troubled homeowners and putting them on firmer financial footing, we will encourage financial empowerment and the preservation of the City’s housing stock, which is vital to HPD’s efforts to preserve and create affordable housing opportunities throughout the City.

In general, distressed notes are sold by the Federal Government through an open auction process to the highest bidder. Often notes are sold to private investors who quickly initiate foreclosure proceedings and subsequently sell the homes. Homeownership advocates have raised concerns that these investors were not interested in working with the many families who could have benefitted from simply modifying their mortgages or from financial counseling and other support services, and as a result, the practices of some investors may contribute to neighborhood destabilization.

In 2015, the U.S. Department of Housing and Urban Development (“HUD”) announced changes to the federal Distressed Asset Stabilization Program (“DASP”) that would give local municipalities, including New York City, the

opportunity to acquire pools of distressed Federal Housing Administration (“FHA”) mortgage notes for one-to-four family properties located in their jurisdiction through a direct sale instead of through an open auction. The Federal Government also announced that DASP would require bidders to achieve 50% neighborhood stabilization outcomes for the notes and that purchasers could not commence a foreclosure process for one year after acquisition.

In partnership with the City Council and our not for profit partners, HPD responded to this continuing crisis and the opportunities created by DASP through the creation of the Community Restoration Fund Program (“CRF”), which seeks to support homeowners and to strengthen communities by purchasing distressed notes. The program will address neighborhood instability in some of the areas of the City hit hardest by foreclosures such as Southeast Queens; East New York, Brooklyn; Wakefield in the Bronx, and the north shore of Staten Island.

The goals of the program are threefold. First, we aim to help stabilize neighborhoods with high rates of foreclosure and distress. Second, we want to keep New Yorkers in their homes by working with these homeowners to modify or refinance their existing mortgages. Third, as a last resort, we seek to preserve affordable and viable housing opportunities by helping owners who are ineligible for a mortgage modification remain in their home as a renter or find other suitable housing options for them in the community. We will work to ensure that these homes can be repositioned for affordable homeownership or affordable rental opportunities while providing housing and financial counseling to these owners as they transition from homeownership.

After developing a program and strategy, we were able to acquire 24 distressed notes totaling 35 units throughout New York City in June 2016, thanks in no small part to the support of the City Council. This represents one of the first times that any municipality has engaged in a transaction of this kind. In addition, CRF is going beyond the DASP requirement with a commitment to pursue 100% neighborhood stabilization outcomes for this pool of notes.

I’d like to take a few minutes to walk through how we structured the program. We could not accomplish our goals for the CRF without working with local and national community-based partners to forge a strong public-private partnership. Preserving City Neighborhoods Housing Development Fund Corporation (“PCN”), the National Community Stabilization Trust (“NCST”), the Center for New York City Neighborhoods (the “Center”), and MHANY Management, Inc.

("MNAHNY") all are vital partners in this program, and we thank them for their work.

Each of these organizations has a specific role to play in ensuring that we properly handle the notes after acquisition and address the needs of the affected homeowners. PCN purchased the notes and serves as the note holder. PCN is a 501(c)(3) nonprofit organization that was incorporated at the request of and with prior consent from HPD in 2011 to act as a vehicle for the City to acquire overleveraged mortgage notes for the purpose of repositioning and preserving distressed or at-risk distressed housing in the City. HPD oversees this entity and the Community Restoration Fund program as a whole. PCN is affiliated with Neighborhood Restore, another not-for-profit formed at the City's request. Neighborhood Restore serves as an intermediate ownership entity for homes that are in physical and financial distress and plays a significant role in HPD's Third Party Transfer program by ultimately passing on title to the new owners. HPD commissioners sit on the board of directors for PCN and Neighborhood Restore.

PCN and NCST worked in tandem to acquire the notes from FHA. These entities play a primary role in servicing, modifying, and monitoring the loans and also handle the disposition of the properties that serve as the collateral for these distressed notes and mortgages. PCN and NCST have contracted with SN Servicing, which will serve as the "Special Servicer." NCST will manage the activities of the Special Servicer and ensure that all loan resolution activities are aligned with the program goals. The Special Servicer will manage the collection, depositing, and remittance of all homeowner payments and net proceeds from the sale of real estate assets to PCN.

The Center and MHANY, along with their community-based network of service providers, are conducting and overseeing homeowner outreach to connect the program's homeowners with the services they need whether it be loan assistance or delinquency and default counseling.

In addition to creating a new entity to own the notes, it was necessary to bring together significant financial resources from multiple sources to effectuate the purchase. First, we must thank the Council for its generous allocation of \$1M in seed money. These critical funds allowed HPD to leverage additional funds in the form of: (1) a \$2.2 million grant from the Local Initiatives Support Corporation ("LISC") that was funded by a bank settlement obtained by the New York State Attorney General, (2) \$2.9 million in funds received from Morgan Stanley as part

of their settlement obtained by the New York State Attorney General, and (3) \$6.9M in private financing from Goldman Sachs' Urban Investment Group. We thank the Council for its leadership in providing the foundation for this program and for its additional \$1M allocation this fiscal year for future purchases. We hope that the Council can continue to support our efforts in this manner.

As mentioned previously, CRF aims to keep people in their homes. After purchasing notes, our priority outcome for CRF is to keep homeowners in their homes through a loan modification, including reducing the principal and underwriting a new sustainable mortgage. If modification to the existing mortgage or refinancing the home is not feasible, then CRF will foreclose or take a deed in lieu of foreclosure in order to try to keep the former homeowner and tenants of the property in place as renters. To achieve this, after CRF takes title, the property will be conveyed to a qualified nonprofit housing organization that will oversee the necessary rehabilitation and operation as a long-term affordable rental.

Some homeowners may be ineligible for a mortgage modification, unable to sustain a new mortgage even after a modification, or have insufficient income to remain in their home as a renter. Such instances present an opportunity for an affordable housing outcome for the foreclosed homeowner and/or tenants of the property with minimal losses to CRF. In this case, CRF would work to place the homeowner and tenants in alternative affordable rental housing, seeking to minimize the strain associated with relocation. The home itself would then be repurposed for affordable homeownership or rental opportunities.

Since the purchase of the notes in June 2016, SN Servicing Corporation and MHANY have connected with 22 of the 24 borrowers and have completed initial intake counseling for 13 of them. MHANY is in the process of working on proposals for loan modifications for some of these borrowers.

After the intake is completed and the borrower submits the required background information, MHANY submits a proposal to the Center for a compliance review and afterwards a review by CRF's Credit Committee, comprised of HPD, PCN and NCST. These proposals are viewed to ensure that they will provide long-term financial stability to the borrower. The CRF Credit Committee has reviewed proposals for eight out of the 22 borrowers as of last week and approved five.

Our next step is to try to secure long-term funding sources to ensure that the Community Restoration Fund Program can continue. We are working to deepen

our relationships with foundations and financial institutions so that we can create a consistent source of funds for this endeavor. Our hope is to raise sufficient funds to ensure that we can continue to acquire notes and provide support to more struggling homeowners in New York City.

We hope that the Council will continue its leadership on this issue as it has helped us to lay the foundation for this program. We thank you again for your continued support of the Community Restoration Fund and for the opportunity to testify here today.

We would be happy to answer any questions you may have.

**DISTRICT OFFICE**  
172-12 LINDEN BLVD.  
ST. ALBANS, NY 11434  
TEL: (718) 776-3700  
FAX: (718) 776-3798



**CHAIR**  
CIVIL SERVICE AND LABOR

**COMMITTEES**  
CONTRACTS  
FINANCE  
TRANSPORTATION  
ECONOMIC DEVELOPMENT

**CITY HALL OFFICE**  
250 BROADWAY, SUITE 1810  
NEW YORK, NY 10007  
TEL: (212) 788-7084  
FAX: (212) 788-7093

THE COUNCIL  
OF  
THE CITY OF NEW YORK

idmiller@council.nyc.gov

**I. DANEEK MILLER**  
COUNCIL MEMBER, 27<sup>th</sup> DISTRICT, QUEENS

Thank you Chair's Garodnick and Williams for holding this hearing on "Evaluating the City's Purchase of FHA-Financed Underwater Mortgages through the Community Restoration Program". Homeownership in New York and across the country has given residents the opportunity to build wealth and provide for their families, while providing a strong tax base for the municipalities they are in. But when the housing market crashed in 2007, Southeast Queens was one of the hardest hit communities in the country and many families are still feeling the effects of the downfall.

This was not an accident. We know from history that communities of color undergo a harder time recovering from economic downturns because of discriminatory housing practices that came with red lining. Families that did nothing wrong, who were even paying back their mortgages, were all of a sudden facing increased rates and the banks were refusing to refinance. In many cases they did not even know their mortgage was sold to another financial institution.

To fix this problem and to help ensure when another recession occurs our communities would be prepared, my colleagues and I went to Washington, DC and advocated for the Department of Housing and Development to implement innovative policies that would benefit families and not large financial institutions. This came in the form of the Neighborhood Stabilization Act of 2008, which enabled seniors to pay off their mortgages, prosecute discriminatory landlords, and secure billions of dollars from banks that preyed on our most vulnerable citizens.

It also allowed New York City to create the first in the nation Mortgage Buyback Program. Officially announced last summer, the City bid on 24 notes HUD was auctioning from distressed mortgages owned by Freddie and Fannie Mac. In the last two Fiscal Years, the City Council allocated two-million dollars, and an additional \$6.9 million was leveraged in private financing from Goldman Sachs' Urban Investment Group, \$2.2 million from the Local Initiatives Support Corporation, and 2.9 million in bank settlements that was won by Attorney General Eric Schneiderman.

Once the notes were purchased, non-profits would work with the families to help refinance these mortgages, and if they could not, they would be bought out and sell the property to someone from the community at an affordable rate so a new family can begin to build wealth.

This was critical to ensuring Queens' economy continued to grow and remained a place for working families. In July of last year, it was reported that Queens had 302 foreclosed properties scheduled for auction in that quarter, the highest number of any borough.

This number represents a 43 percent increase from July of 2015, where 211 homes were scheduled for first-time foreclosure auctions. And we know between 2012 and 2014, about 25 percent of all of HUD's Note Sales impacted properties in communities of color, 41 percent of which were in Southeast Queens.

The Mortgage Buyback Program ensured families in these homes are able to work with someone who is willing to help them instead of worrying about making a profit. Having spoken to the Housing Preservation and Development, and non-profits implementing this program, it has clearly been a success and I look forward to hearing more about why today.

This is critical to the financial stability of the City. Because if we allow banks to just sit on these properties and do nothing, we will be losing millions in tax revenue and when they become blighted, the properties around them will be worth less. Now that we are working with a new administration, we have to advocate for these innovative housing policies to remain, and I have been working with Congressman Gregory Meeks and the rest of our Congressional Delegation to ensure we do not reverse course.

Our communities still see unscrupulous brokers coming to the area, banks are refusing to work with families to refinance, and we are worried the remaining notes will be sold to financial institutions perpetuating the cycle we have seen occur for decades. So not only do I hope this hearing shows why this program deserves additional funding, but we hear how it has allowed the next generation of New Yorkers the opportunity for homeownership in the community they grew up in.

In closing I want to thank the two Chairs again and my colleagues Council Members Donovan Richards and Ruben Wills, and all the advocates, who have helped make the Mortgage Buyback Program a reality.



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**TESTIMONY ON**

**EVALUATING THE CITY'S PURCHASE OF FHA-FINANCED  
UNDERWATER MORTGAGES THROUGH THE COMMUNITY  
RESTORATION PROGRAM**

**PRESENTED BEFORE:**

**CITY OF NEW YORK,  
COMMITTEE ON HOUSING AND BUILDINGS  
&  
COMMITTEE ON ECONOMIC DEVELOPMENT**

**PRESENTED BY:**

**CHRISTOPHER FASANO  
MFY LEGAL SERVICES, INC.**

**FEBRUARY 14, 2017**

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**MFY LEGAL SERVICES, INC., 299 Broadway, New York, NY 10007  
212-417-3700 [www.mfy.org](http://www.mfy.org)**

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My name is Christopher Fasano and I am a Staff Attorney in the Foreclosure Prevention Project at MFY Legal Services, Inc. (“MFY”). MFY envisions a society in which there is equal justice for all. Our mission is to achieve social justice, prioritizing the needs of people who are low-income, disenfranchised or have disabilities. We do this through providing the highest quality direct civil legal assistance, providing community education, entering into partnerships, engaging in policy advocacy, and bringing impact litigation. We assist more than 20,000 New Yorkers each year. In the summer of 2016, MFY filed a federal class action lawsuit on behalf of African-American homeowners in New York City whose loans were sold or may be sold through the Department of Housing and Urban Development’s (“HUD”) Note Sale Program.<sup>1</sup> That lawsuit exposes the discriminatory impact of these sales, HUD’s violation of these homeowners’ due process rights, and the harm homeowners experience after the sales, when private equity purchasers impose unsustainable loan modification terms on homeowners.

As an organization dedicated to preserving New York communities, MFY commends the Council for examining the City’s efforts to revitalize foreclosure-plagued neighborhoods by purchasing FHA-insured mortgages through the Community Restoration Program.

***The Purpose of HUD's FHA Mortgage Program: Increase Homeownership & Build Wealth***

The Federal Housing Administration's ("FHA") mortgage program, administered through HUD, is an important source of mortgage lending for those shut out of the conventional mortgage market who too often have been homeowners of color. FHA mortgages have also served as an important pathway to the middle class for many American families, enabling them to build inter-generational wealth through property ownership.

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<sup>1</sup> The lawsuit, *Washington et al. v. HUD et al.*, can be found under number 16-cv-03948 in the Eastern District of New York.

FHA does not make mortgages, but rather insures the loans made by FHA-approved lenders against a homeowner's default. As a result, HUD is able to promote lending to borrowers with lower credit scores and who have less than 20% for a down payment. Recognizing that FHA homeowners often have higher bouts of unemployment and less savings, HUD provides various protections when homeowners fall behind. Under HUD regulations, FHA lenders and mortgage servicers must reach out within a month of a homeowner's default, must arrange for a face-to-face meeting, and must review homeowners for all of FHA's mortgage modification programs. These regulations ensure that FHA homeowners receive counseling after they default, and that their servicers regularly review them for affordable loan modification options that will keep them in their homes.

These benefits do not come free. FHA homeowners are required to pay to HUD a mortgage insurance premium at closing, currently 1.75% of the loan balance.<sup>2</sup> FHA homeowners are also required to pay HUD a monthly mortgage insurance premium, currently .85% of the annual unpaid principal balance spread over the 12 month period.<sup>3</sup> For homeowners in Southeast Queens, where the average home sells for approximately \$350,000,<sup>4</sup> the mortgage insurance premium at closing is approximately \$6,125 and the monthly mortgage insurance in the first year is approximately \$248. These insurance premiums are all paid into FHA's Mutual Mortgage Insurance Fund ("the Insurance Fund"). In cases where the mortgage servicer must foreclose, HUD accesses the Insurance Fund to pay out the mortgage servicer's insurance claim. Usually the

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<sup>2</sup> HUD, *Mortgagee Letter 2017-07* (Jan. 20, 2017), available at <https://portal.hud.gov/hudportal/documents/huddoc?id=17-07ml.pdf> (last visited Feb. 8, 2017).

<sup>3</sup> *Id.*

<sup>4</sup> See Trulia, *Queens Home Prices Page*, available at [https://www.trulia.com/home\\_prices/New\\_York/Queens-heat\\_map/](https://www.trulia.com/home_prices/New_York/Queens-heat_map/) (last visited Feb. 8, 2017),

claim includes the full amount of unpaid principal balance and a certain amount of arrears, making the servicer whole or close to whole where a home cannot be saved.

### ***A Boon for Banks But Harmful for Homeowners***

In 2010, because of the drain the foreclosure crisis had on the Insurance Fund, HUD launched its Note Sale Program to sell off delinquent mortgages that it perceived as unsavable and to help shore up the Insurance Fund. Under its Note Sale Program, HUD pools these defaulted mortgages and then auctions these pools to the highest bidder. While it is unclear how precisely HUD chooses which defaulted mortgages to include in the pools, mortgage servicers can only select mortgages where the mortgage is at least six months in default and where all of HUD's pre-foreclosure protections, including reviewing the homeowner's mortgage for FHA's various modification products, have been offered. If HUD selects the mortgage for the pool, HUD will pay out the insurance claim for the full unpaid principal balance to the mortgage servicer.

HUD then conducts an auction of these defaulted mortgages, selling the mortgages for between 40% and 60% of their value. The purchasers of these mortgages are largely hedge funds and private equity firms. Although HUD has touted that the program gives homeowners a second chance at a modification, MFY has found that less than 7% of sold-off mortgages were modified.

In fact, MFY has found that that even the 7% of mortgages modified may not have been modified into sustainable modifications. For instance, one purchaser, Lone Star Funds ("Lone Star"), and its servicer, Caliber Home Loans, Inc. ("Caliber"), have largely provided homeowners with a five-year interest-only modification with a teaser interest rate. That product results in anything but sustainable homeownership and stable neighborhoods because, after the five-year

period lapses, homeowners are responsible for paying back the entire principal over a period even shorter than what is required by their notes. This means that these homeowners will experience a dramatic spike in their mortgage payments after the interest-only period ends. HUD has also carved out certain pools to be “Neighborhood Stabilization Outcome” (“NSO”) pools, requiring a certain percentage of the mortgages in the pool to be modified. But many of these specialized pools have been purchased by the same hedge funds and private equity firms as the other pools and, because HUD does not distinguish between sustainable modifications and modifications that will likely result in default in five years, it is unclear if these NSO pools will in fact produce long-term homeownership and stabilization of communities.

Finally, although the FHA mortgage servicers are supposed to have exhausted FHA’s modification options before including the mortgages in the sales, MFY has found that this is often not true. Our review shows that many homeowners were actively applying for a modification or were in a trial plan when their mortgage was sold through HUD’s Note Sale Program. As far as MFY is aware, HUD never independently verifies the FHA mortgage servicer’s self-certification that it had exhausted all modification options and, quite troublingly, homeowners are never informed that their mortgage is about to be sold out of the FHA mortgage program. Thus, these homeowners’ right to access the FHA modification program – a program they have paid for through HUD’s insurance premiums – is, unbeknownst to them, cut short by the FHA mortgage servicer, who instead of modifying the homeowner’s mortgage in accordance with FHA requirements, is made whole by receiving their full insurance claim for the mortgage.

### ***The Disparate Impact of HUD’s Note Sale Program***

Since 2010, HUD has conducted 17 Note Sale auctions. New York mortgages make up a large proportion of the pools. In the most recent Note Sale, conducted on November 30, 2016,

New York State mortgages encompassed 22% of one of the pools.<sup>5</sup> In the September 14, 2016 Note Sale, New York State mortgages encompassed anywhere from between 7% to 26% of each national pool.<sup>6</sup> In fact, experts have maintained that HUD's Note Sale Program unfairly targets those states that have instituted homeowner protections through their judicial foreclosure process.<sup>7</sup>

But even more alarming is the fact HUD's Note Sale Program has had a disparate and negative impact on New York City's African-American communities. The below map, where each black dot represents a mortgage sold in the Note Sales held between 2012 and 2014,<sup>8</sup> demonstrates the disastrous impact of HUD's Note Sale Program on African-American communities.

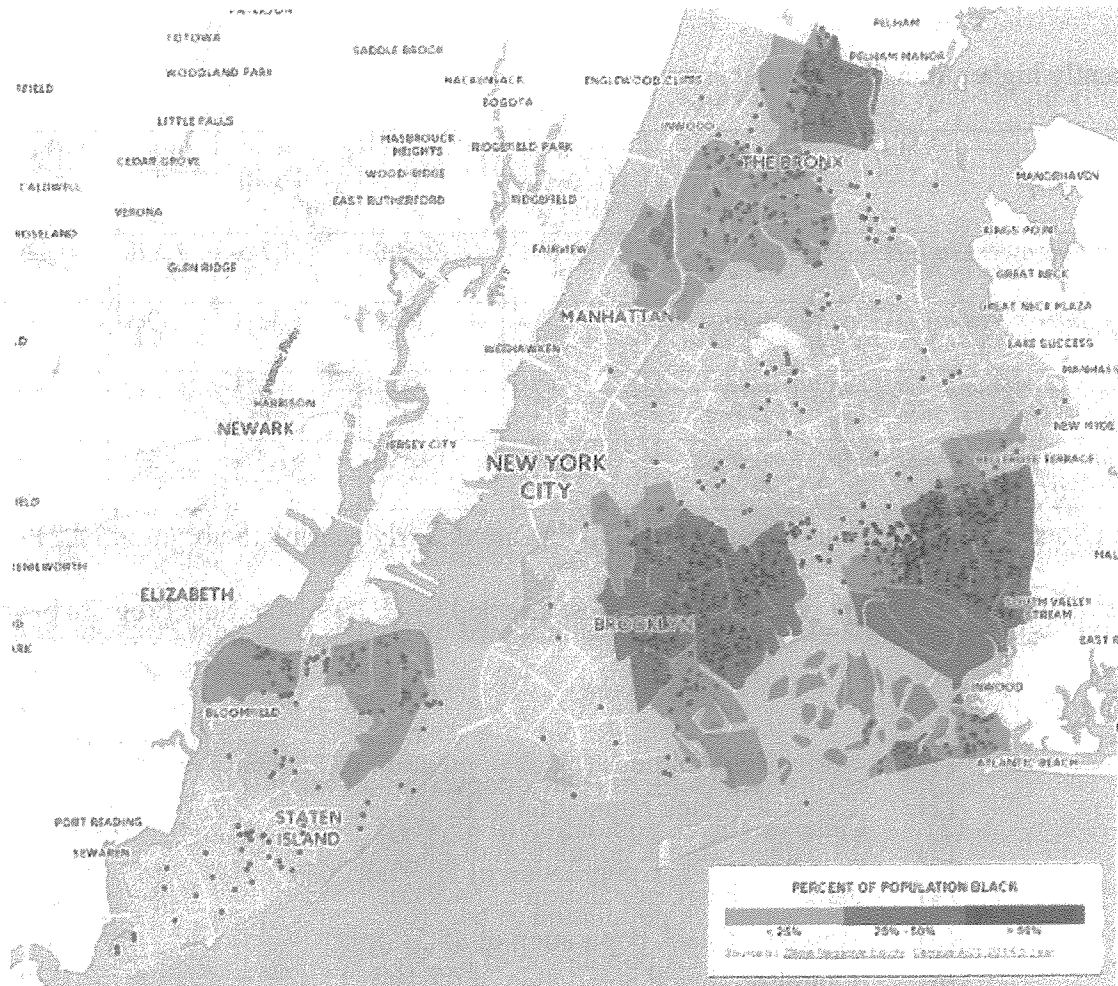
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<sup>5</sup> HUD, *HUD-Held Vacant Loan Sale 2017-1 Sales Result Summary* (Bid Date: Nov. 30, 2016), available at <https://portal.hud.gov/hudportal/documents/huddoc?id=sale1report.pdf> (last visited Feb. 9, 2017). In its Sales Result Summary, HUD only identifies mortgages by state, not by municipality.

<sup>6</sup> HUD, *Single Family Loan Sale 2016-2 Sales Result Summary* (Bid Date: Sept. 14, 2016), available at <https://portal.hud.gov/hudportal/documents/huddoc?id=sale2report.pdf> (last visited Feb. 9, 2017).

<sup>7</sup> Geoff Walsh, *Opportunity Denied: How HUD's Note Sale Program Deprives Homeowners of the Basic Benefits of Their Government-Insured Loans*, National Consumer Law Center, pp. 10, 18-21 (May 2016), available at <https://www.nclc.org/images/pdf/pr-reports/opportunity-denied-report.pdf> (last visited Feb. 9, 2017).

<sup>8</sup> MFY obtained the addresses for every New York City mortgage sold through HUD's Note Sale Program between 2012 and 2014 as a result of a Freedom of Information Act request to HUD.



Although African Americans comprised 36% of New York City homeowners who obtained an FHA mortgage between 2012 and 2014,<sup>9</sup> more than 61% of all New York City mortgages sold in the Note Sale Program for the same time period were for homes located in predominately African-American neighborhoods.

Even though African-American homeowners rely more upon FHA mortgages than their white neighbors, as the chart below demonstrates, they are the only group of homeowners in New

<sup>9</sup> MFY obtained information about the type of mortgages issued in New York City between 2012 and 2014 by reviewing the Home Mortgage Disclosure Act (“HMDA”) data mortgage lenders are required to provide to the federal government. This information is searchable on the Consumer Financial Protection Bureau’s (“CFPB”) website, available at <http://www.consumerfinance.gov/data-research/hmda/>.

York City for which the percentage of mortgages sold through the Note Sale Program is significantly higher than their market share.

	<b>Non-Hispanic White</b>	<b>Hispanic</b>	<b>Non-Hispanic Black</b>	<b>Asian</b>	<b>Other</b>	<b>Total</b>
<i>FHA Mortgage Borrowers in NYC - 2012 to 2014 (by borrower)</i>	3,671	2,508	4,746	1,270	1,267	13,462
<i>FHA Mortgage Borrowers in NYC by Percentage – 2012 to 2014</i>	27%	19%	35%	9%	9%	100%
<i>NYC DASP-Sold Mortgages – 2012 to 2014 (by neighborhood)</i>	171	219	675	37	--	1,102
<i>Racial Breakdown of NYC DASP-Sold Mortgages by percentage – 2012 to 2014 (by neighborhood)</i>	15.5%	19.9%	61.3%	3.5%	--	100%

And it is Southeast Queens and eastern Brooklyn that are unfairly bearing the brunt of HUD's

Note Sale Program. The eight neighborhoods most affected by HUD's Note Sale Program have been:

- (1) Springfield Gardens (black population of 86.9%);
- (2) Canarsie (black population of 85.4%);
- (3) St. Albans (black population of 88.9%);
- (4) Jamaica (black population of 64.9%);
- (5) Rosedale (black population of 85.5%);
- (6) Laurelton (black population of 92.2%);
- (7) East New York (black population of 65.7%);
- (8) Flatbush (black population of 89.9%);

HUD's Note Sale Program, with its disproportionate impact on these communities, ensures that the economic recovery will not be shared equally by all neighborhoods across New York City.

Further, selling these mortgages to hedge fund and private equity firms that offer only predatory modifications, if they offer anything at all, guarantees that the plague of foreclosures that has long decimated African-American communities, and the resultant neighborhood blight, will persist. The racial wealth gap, a gap that historically is the result of the denial of property ownership to African Americans, will further increase.

### ***The Damage Done: When Private Equity is the Sole Purchaser in HUD's Note Sales***

In its design, the Note Sale Program enables purchasers of distressed assets, who purchase the notes at a discount, to pass some of the savings on to borrowers while still making a profit from a modification. Purchasers could forgive principal, or modify loans on terms more favorable than FHA's Home Affordable Modification Program ("HAMP"), and still generate a revenue stream from the modified payments that exceeds the cost of purchasing the notes. In execution, the program has been a give-away to private equity firms. Purchasers like Lone Star have exploited HUD's lax oversight, by not only retaining the discount and steadfastly refusing to forgive any principal, but by modifying loans on terms even *worse* than what is required under HUD guidelines. When municipalities and nonprofits do not purchase the notes, homeowners are almost invariably worse off after a Note Sale. Thus far, the benefits of the Note Sale Program have accrued exclusively to private equity, at the expense of homeowners who finance the Insurance Fund with their monthly premiums.

Joseph Washington's struggle to modify his mortgage highlights the pitfalls of leaving private equity purchasers unmonitored. At age 18, Mr. Washington began working in New York City's meat industry, first as a wholesaler and then as a butcher. Thirty years of diligent saving enabled him to purchase his first home in the St. Albans section of Queens, a community that has long been a bastion of African-American homeownership. His FHA-insured mortgage had a fixed, affordable interest rate of 4.5 percent over the life of the 30-year loan. After a family member moved out of the house in November of 2013, Mr. Washington defaulted on his mortgage. Within months of his default, he applied for a modification through his FHA mortgage servicer, LoanCare. At the time he submitted this application, Mr. Washington was eligible for a FHA-HAMP modification, one that would have produced an affordable monthly payment of \$1,205.59 for principal and interest, a loan term of 360 months, and an interest rate of 4.375



percent. LoanCare initially denied that application in April of 2014, claiming, without justification, that a modification of his loan did not “meet Investor requirements” – even though no investor owned his loan, and he otherwise satisfied all of the requirements for a FHA-HAMP modification.

Undaunted, Mr. Washington continued to apply for a modification through LoanCare. In August of 2014, LoanCare offered him a forbearance plan in which he would make reduced monthly payments in lieu of his regular mortgage payment, and promised that at the end of this forbearance plan, it would review him for a loan modification. As with its initial decision, LoanCare’s offer did not conform to HUD guidelines and the forbearance plan it offered bore no semblance to the kinds of forbearance plans authorized under HUD guidelines. Mr. Washington accepted this offer. Unbeknownst to him, however, his loan had been sold on July 17, 2014, and servicing rights had already been transferred to Caliber.

Although Caliber eventually approved him for a modification, that modification was a windfall to Caliber and will ultimately cost Mr. Washington his home. Unlike a fully amortizing FHA-HAMP modification, Caliber’s loan modification has a five-year interest only period. That interest-only payment is \$1,280.09, which exceeds the fully amortizing principal and interest payment he would have made with a FHA-HAMP modification. His interest rate during this interest-only period is now 4.88 percent—higher than the FHA-modification he should have received from LoanCare, and even higher than the original note rate. After the five-year interest-only period lapses, Mr. Washington’s loan will revert to the original loan terms. Since the length of the loan term remains unchanged, and since he will not have paid down any principal during the interest-only period, Mr. Washington will have to pay off his principal over an even shorter period of time than what is contemplated in the original note. As a result, his mortgage payment will spike by about \$653 when the interest-only period ends in September 2020. Mr. Washington

does not expect any dramatic increase in his income over the next three years. Caliber has therefore positioned him to yet again default on his mortgage. Meanwhile, Caliber will collect five years of interest-only payments, amounting to \$76,805.40. And when Mr. Washington defaults, Caliber can then pursue foreclosure on a property that is now worth approximately \$406,720. Rather than offer Mr. Washington a modification that keeps him and his family in the home, it has instead secured for itself a fixed income stream at above-market interest rates, and an opportunity to foreclose in five years.

Mr. Washington's circumstances are not unique. Caliber continues to offer borrowers interest-only modifications,<sup>10</sup> even though HUD, on April 24, 2015, required note purchasers to offer a HAMP or HAMP-like modification product. But Caliber's loan modification decisions make no mention of this HAMP or HAMP-like product, and Caliber maintains that it offers no such modification program, in violation of HUD guidelines and federal servicing law. Caliber remains impervious to the near-certain consequences of its unaffordable modification programs. When confronted with the spike in mortgage payments, Caliber dismisses homeowner concerns by claiming that they can refinance their loans before the five-year period comes to end. These predatory terms, and single-minded focus on short-term profits over long-term financial stability, replicates the very worst practices that precipitated the foreclosure crisis.

### ***The Importance of the Community Restoration Program To Community Stabilization***

Private equity purchasers not only imperil individual homeownership, but in their relentless pursuit of short-term profit, they jeopardize entire communities. As explained above, the Note Sales are concentrated in New York City neighborhoods with large African-American

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<sup>10</sup> In addition to this interest-only modification, Caliber also offers borrowers modifications in which they pay down principal and interest during the five-year period. However, the interest rate still exceeds the market rate, and Caliber does not extend the loan term. This modification program, though better than the interest-only modification, falls far short of a HAMP or HAMP-like modification.

populations. A proliferation of unaffordable modifications in these communities can contribute to a foreclosure death-spiral, as foreclosures drive down property values, and lead to possible blight and abandonment. Yet, the very same concentration of Note Sales offers a unique opportunity to municipalities and nonprofits. Just as Caliber's predatory products do greater damage when targeted to certain neighborhoods, a program that offers affordable modifications within these neighborhoods could trigger the opposite effect. The kinds of modifications that municipalities and nonprofits offer, which would preserve homeownership, would increase neighborhood stability, protect property values and start to reduce the racial wealth gap.

Municipalities and nonprofits, however, are at a disadvantage when competing against private equity in these Note Sale auctions. By including in the auction homeowners with steady income—homeowners who should have received FHA-HAMP modifications, like Mr. Washington—HUD makes the pools more attractive to for-profit purchasers. A note that can generate a stream of above-market interest payments, like Mr. Washington's note, is more valuable than a note that requires some forgiveness for the homeowner to afford a modified payment. HUD's neglect when assembling the pools, by not verifying that homeowners have exhausted FHA's loan modification options, drives up the cost of these pools. And when HUD neglects to enforce its own guidance after the sales, which requires Note Sale purchasers to offer HAMP or HAMP-like products, it similarly disadvantages municipalities and nonprofits. The private equity purchasers can impose ever more onerous terms on homeowners, and generate ever greater profits from these predatory products, which means that they can afford to pay more than the municipalities and nonprofits that abide by HUD's guidance and try to keep homeowners in their homes with affordable modifications. In fact, recent bank settlements have skewed the playing field even further. In its January 17, 2017 settlement with the Department of Justice, Deutsche Bank will receive credit for lending money to private equity firms so that those firms

can purchase distressed assets.<sup>11</sup> This makes City funding for nonprofit and municipal purchases – such as the Community Restoration Program - even more important to sustainable neighborhoods in New York City.

***Recommendations to Ensure New York City Neighborhoods Prosper Equally***

In June 1997, Lucille Mason achieved the American dream through the purchase of her very first home in Canarsie, Brooklyn, where she and her children still live. She specifically chose Canarsie because of the stability offered by the neighborhood. In January 2010, she refinanced her home through an FHA-insured mortgage with Chase.

In summer 2012, due to a medical condition, Ms. Mason was forced to take several weeks of unpaid leave. At the same time, her tenants stopped paying rent. As a result of these combined, unexpected hardships, Ms. Mason was unable to keep up with her mortgage payments. Once Ms. Mason returned to work, she tried to make payments, but Chase rejected them. Although the FHA mortgage program requires, when a homeowner falls behind, that mortgage servicers attempt a face-to-face interview, provide written information on how to apply for a modification, and to issue a list of housing counselors and legal services, Chase never did any of these things for Ms. Mason.

Instead, it was only through meeting with her Councilmember that Ms. Mason even found out she could apply for a modification—which she did. While Ms. Mason's modification application was pending in March 2013, Chase sued Ms. Mason in a foreclosure. Ms. Mason continued her quest for a modification by submitting the requested documents over and over again, but Chase never made a decision on her application.

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<sup>11</sup> Matt Scully, *Deutsche Bank Eyes Private Equity Help in U.S. Settlement*, Bloomberg, Jan. 4, 2017 (available at <https://www.bloomberg.com/news/articles/2017-01-04/deutsche-bank-said-to-eye-private-equity-help-in-u-s-settlement>).

Like countless other FHA homeowners, in June 2014, while she was still applying for a modification, Ms. Mason's loan was sold out of the FHA program without her knowledge. Rather than receive a modification, Ms. Mason was forced to accept a new servicer, Caliber, and to re-apply for a modification. In April 2016, Caliber offered Ms. Mason a trial plan for a five-year interest-only modification. However, the reality of an interest-only modification is that it only temporarily lowers the payments without providing a long term solution. After the five-year period, Ms. Mason's principal and interest payments would increase by \$1,592.53. At 73 years old and facing retirement, Ms. Mason knew she would ultimately lose her home if she accepted Caliber's offer. She is now in the process of asking Caliber to review her for an affordable HAMP or HAMP-like modification that will preserve her home for her and her children.

Long-time New York City residents like Ms. Mason and Mr. Washington, who continue their struggle to save their homes, are at the mercy of private equity's profits. By continuing to allow hedge funds and private equity firms to purchase FHA-insured mortgages, HUD puts individuals and entire neighborhoods at risk, threatening their stability with unaffordable loans. The only way to keep these mortgages out of investors' hands is for government and nonprofit entities to purchase these loans. As a result, MFY offers the following recommendations:

**1. Continue to Fund the Community Restoration Program.** Given the inherent inequities in HUD's Note Sale Program, initiatives like the Community Restoration Fund are the only way to give nonprofits and municipalities a leg up in their competition with the private sector and reverse the adverse affects of the Note Sale Program in African-American communities. It is only sales to nonprofit and governmental entities that will promote and preserve homeownership and stability in New York City neighborhoods.

**2. Pressure HUD to Increase its Nonprofit Sales.** Although HUD decides which loans will be sold in which sales, we ask the Council to continue urging HUD not to sell loans for which

a home-saving solution is available. We thank the Councilmembers who signed on to the September 8, 2016 letter calling on HUD to stop Note Sales to hedge funds and investors, and instead to make more loans available for purchase at a competitive price to government and nonprofit entities.

**3. Demand that New York City Public Pension Funds Divest From Lone Star.** Several New York City Public Pension Funds are now invested in Lone Star, including the New York City Teachers' Retirement System, New York City Board of Education Retirement System, New York City Employees' Retirement System, New York City Fire Pension Fund, and the New York City Police Pension Fund.<sup>12</sup> These investments mean that some of the very same New York City residents who fall victim to Caliber may indirectly fund their predatory practices. Divestment would not only limit the funds Lone Star has available to purchase notes, but it would also pressure Caliber to follow HUD guidelines and offer affordable modifications.

**4. Pressure HUD to Provide Notice to Homeowners Immediately Before Their Mortgages Are Sold.** Although homeowners have paid to be a part of the FHA mortgage program, they have no say when their mortgage is about to be sold out of the program. In a September 8, 2016 press conference, Councilmembers called on HUD to provide notice to homeowners, so they can tell their side of the story as to whether their homes can be saved. MFY has found too many homeowners who were actively applying for a modification -- and should have gotten one -- when their mortgage was sold out of the FHA mortgage program after their mortgage servicers self-certified that the homeowners did not qualify for a modification.

**5. Demand the Congressional Delegation to Open an Investigation.** Lastly, we ask that the Chair of the Committee on Housing and Buildings write a letter to the New York

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<sup>12</sup> The current market value of these investments is \$462,822,017, with an additional \$138,900,000 in capital commitments.

Congressional Delegation urging them to call on HUD's Office of the Inspector General ("OIG") to conduct an investigation into HUD's Note Sale Program. In particular, the OIG should investigate to what degree FHA-mortgage servicers are submitting false self-certifications and what happens to the loans after they are sold.

Finally, MFY thanks the Council for taking the time to evaluate the City's purchase of distressed FHA loans and encourages the Council to continue supporting the ongoing efforts of municipalities and nonprofit organizations to purchase FHA-insured mortgages. MFY is committed to working with the City Council to better protect homeowners and preserve long-term homeownership in New York City, particularly in communities of color who rely upon their homes as a source of generational wealth and help limit the ever-increasing economic inequalities of this City. Thank you for holding today's hearing and for considering this important issue.

For more information, please contact:  
Christopher Fasano  
Staff Attorney  
MFY Legal Services, Inc.  
(212) 417-3719  
cfasano@mfy.org



MHANY Management Inc.

(A Mutual Housing Organization)

1 Metro Tech Center North

11th Floor

**Testimony Before the New York City Council Committee on  
Economic Development and Committee on Housing and Buildings:  
Evaluating the City's Purchase of FHA-Financed Underwater  
Mortgages through the Community Restoration Program**

**February 14, 2017**

Good morning. My name is Ismene Speliotis, and I am the Executive Director of MHANY Management Inc, a mutual housing association and HUD approved counseling organization. I am here today with MHANY's director of homeownership and foreclosure prevention, Cecilia Joza. We thank Chair Garodnick and Chair Williams and members of the Economic Development and Housing and Buildings Committees for holding today's hearing on the Community Restoration Program.

MHANY counsels more than 2,000 homeowners and prospective homeowners each year about mortgage-related issues and has developed more than 1,600 affordable rental units in neighborhoods throughout the city. With a focus on preserving housing for the lowest income tiers, MHANY pursues innovative, mixed-use development strategies supported by a variety of public and private financing programs.

Almost two years ago we sat before some of you and made our case for the council to intervene to save our neighborhoods from the dual crises of foreclosure and speculative purchasing. We came with facts and figures on foreclosures, the large backlog of pending foreclosures, and the millions of dollars in tax revenue each year the city was losing as a result. We came informed about what the federal government had done in response – selling large swaths of mortgages to the likes of Blackstone and other private equity firms. But you heard us and you believed there was another way to address this crisis by saving homeowners from instability and financial loss and, in the process, ultimately stabilizing and supporting our neighborhoods. For this we thank you very much. In fact your faith in us and investment in the Community Restoration Program made NYC, last June, the first municipality in the country to purchase distressed mortgage notes from the federal government. This wouldn't have happened without the initial strong support of City Council, and so again we must begin by acknowledging and thanking the New York City Council for your leadership in establishing the Community Restoration Program. As our thought partner and first funder, your support of this program was critical.

After reading the papers today, one might think the foreclosure crisis is over. Housing development, sales etc. are at an all-time high -- what are we all complaining about? Well, unfortunately we must argue a different perspective and one that requires your continued support and our continued vigilance and efforts as we strengthen the collaboration between city government, local neighborhoods, and the individual homeowners we continue to help every day.

At the same time that the federal government changed rules to allow municipalities and governments to purchase distressed notes either through direct sale (how we made our first purchase) or at a restricted



auction (which we tried to do but our bid was unsuccessful after the federal agencies had set the upset price too high) we have seen the largest loss of homeownership this country has ever experienced. We have seen the largest transfer of privately held assets (homes) to private equity firms – where former homeowners have been evicted from their homes, or are now renters for private equity firms whose only interest is the real estate asset, not the homeowner, the home in which that homeowner lives, nor the neighborhood where that home is situated. We still have a problem and one might argue, given the current political environment, the worst is still to come.

Instead of painting a bleaker picture, let me provide you with some results of your insight and investment as an example of what happens when government and not profits come up with an alternative to private equity and speculative investment.

MHANY is currently helping the 24 homeowners who were affected by the first note purchase. As David Quart mentioned we are actively working with 22 of the 24 homeowners to come to a neighborhood stabilization outcome. Most of these homeowners will actually get mortgage modifications that will allow them to remain in their homes, and remain active members of the communities where they bought homes, raised their children and currently reside. A couple will probably move out and we will identify new affordable purchasers for those homes. To date, we have achieved five trial modifications, the household demographics are:

Neighborhood	Race /ethnicity	Demographic of homeowner	Income level of homeowner	Projected outcome
Queens Village	Black	Unmarried/2HH	80-100% AMI	Prevent mortgage delinquency/remain in home
Brooklyn	Hispanic	Divorced/2HH	100-120% AMI	Prevent mortgage delinquency/remain in home
Springfield Gardens	Black	Unmarried/2HH	80%-100% AMI	Prevent mortgage delinquency/remain in home
Brooklyn	Black	Married/4 HH	80% AMI	Prevent mortgage delinquency/remain in home
Cambria Heights	Black	Married/2HH	100% AMI	Prevent mortgage delinquency/remain in home

Our work, as always, is far from done. But these positive outcomes are heartening in this otherwise disheartening time. Now is the time to fight harder, and as mentioned, we continue to work with the federal government, FHA, and Fannie and Freddie to identify new opportunities where we can take the program, the financing structure that has been tested, and do it over and over again to provide more support and opportunities for homeownership and neighborhood stability. Thank you.



**Testimony Before the New York City Council Committee on  
Economic Development and Committee on Housing and Buildings:  
Evaluating the City's Purchase of FHA-Financed Underwater  
Mortgages through the Community Restoration Program**

**February 14, 2017**

Good afternoon. My name is Christie Peale, and I am the Executive Director of the Center for NYC Neighborhoods. I would like to thank Chair Garodnick and Chair Williams and members of the Economic Development and Housing and Buildings Committees for holding today's hearing on the Community Restoration Program.

**About the Center for NYC Neighborhoods**

The Center promotes and protects affordable homeownership in New York so that middle- and working-class families are able to build strong, thriving communities. Established by public and private partners, the Center meets the diverse needs of homeowners throughout New York State by offering free, high quality housing services. Since our founding in 2008, our network has assisted over 40,000 homeowners. We have provided approximately \$33 million in direct grants to community-based partners, and we have been able to leverage this funding to oversee another \$30 million in indirect funding support. Major funding sources for this work have included the New York City Department of Housing Preservation and Development, the New York City Council, the Office of the NYS Attorney General, NYS Homes and Community Renewal, along with other public and private funders.

**City Council's Early Support was Essential to Establishing the Community Restoration Program**

Last June, New York City made headlines as the first municipality in the country to purchase distressed mortgage notes from the federal government. This wouldn't have happened without the initial strong support of City Council, and so I'd like to begin by acknowledging and thanking the New York City Council for your leadership in establishing the Community Restoration Program. As our thought partner and first funder, your support of this program was critical.

**Why the Community Restoration Program is Needed to Help Struggling NYC Homeowners**

The establishment of the Community Restoration Program is a testament to the power of grassroots advocacy and cross-sector collaboration in developing collective solutions to the challenges posed by the foreclosure crisis. Its existence today is the result of advocacy efforts stemming from years of frustration with the actions of banks and mortgage servicers after the financial crisis. Despite the tireless efforts of homeowners, advocates, and policymakers to encourage lenders to work with homeowners to avert foreclosure, in too many cases lenders have refused to negotiate affordable mortgage modifications with homeowners. As a result, homeowners throughout the country have spent years struggling with their



banks to obtain modifications, submitting and resubmitting paperwork, receiving inconsistent communications, and failing to make any progress.

In New York, thanks to the support of City Council, HPD, and the Attorney General, among others, the Center for NYC Neighborhoods and our Network Partners have been able to provide homeowners at risk of foreclosures with free, high-quality housing counseling and legal services. While these resources provide invaluable assistance to homeowners, they require individualized case-by-case assistance and still ultimately require the will of the lender to agree to a mortgage modification.

Additionally, federal policy changes over the last few years have resulted in large sell-offs of mortgages to private investors through the FHA's Distressed Asset Stabilization Program (DASP) and Fannie Mae and Freddie Mac's Non-Performing Loan sales programs. Through these programs, government agencies have begun selling off pools of mortgages they hold or insure at steep discounts to private equity-backed investors. According to advocates, the investors who purchase these mortgages often fail to work with families to provide meaningful modifications that will keep them in their home, especially in neighborhoods where property values are rising and it may be more profitable to foreclose on the original occupants.<sup>1</sup>

The agencies conducting these sales argue that these mortgages have no hope of any alternative to foreclosure, and that by purchasing them at a discount, investors will have greater leeway to negotiate an affordable modification agreement. However, our experience working with homeowners has demonstrated that this is often not the case. For example, Lorenzo, an Ocean Hill homeowner sought help to modify his Chase mortgage from Grow Brooklyn, one of the Centers Network Partners, and Lorenzo's attorney had every reason to believe that he would qualify for a modification. However, even though Lorenzo had submitted a completed modification application and was waiting for a response, the FHA deemed his loan "non-performing" and sold his mortgage out from under him to Lone Star. The loan is serviced by Caliber Home Loans, a servicer with a reputation for refusing to offer sustainable modifications and that is currently under investigation by AG Schneiderman for violations of federal and state servicing rules.<sup>2</sup> Caliber denied Lorenzo's original modification application on the grounds that he held too much equity in his property, and that it would be more profitable for Caliber to foreclose on his home.

### **Bringing the Community Restoration Project to Life**

In response to cases like Lorenzo's throughout the country, homeowners and advocates conducted a well-organized campaign to reform the FHA DASP and encourage sales of non performing loans to community accountable institutions that would prioritize keeping families in place over profits, a model

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<sup>1</sup> For a good summary of homeowner criticisms of DASP, see: National Consumer Law Center, Opportunity Denied: How HUD's Note Sale Deprives Homeowners of the Basic Benefits of their HUD-Insured Loans, May 2016. Available at: <https://www.nclc.org/issues/opportunity-denied.html>

<sup>2</sup> New York Attorney General Examining Private Equity Firm's Mortgage Business, New York Times, Oct. 6, 2015. <https://www.nytimes.com/2015/10/07/business/dealbook/new-york-attorney-general-examining-private-equity-firms-mortgage-business.html>



established by New Jersey Community Capital. In 2015, FHA responded with a series of reforms that allowed municipalities to purchase pools of distressed assets directly from the Federal government for the first time.

When the policy change was announced, New York City institutions were well-poised to step up, develop the program, and obtain financing to purchase notes from the FHA. The Center for NYC Neighborhoods was proud to partner with the New York City Department of Housing Preservation and Development, MHANY Management, Inc., Neighborhood Restore Housing Development Fund Corporation, and the National Community Stabilization Trust to establish the Community Restoration Program and approach the FHA to negotiate a purchase of NYC mortgages. In addition to the support of the New York City Council, and particularly Council Members Garodnick, Richards, and Miller, we also obtained funding from Goldman Sachs Urban Investment Group, LISC, and Attorney General Schneiderman. After a protracted period of negotiation, we were finally able to close on 24 New York City mortgage notes in June 2016. If it weren't for the Community Restoration Program, these mortgages would undoubtedly have been sold at auction to private equity investors.

#### **The Community Restoration Fund Today: Wins for Homeowners, Uncertain Federal Landscape**

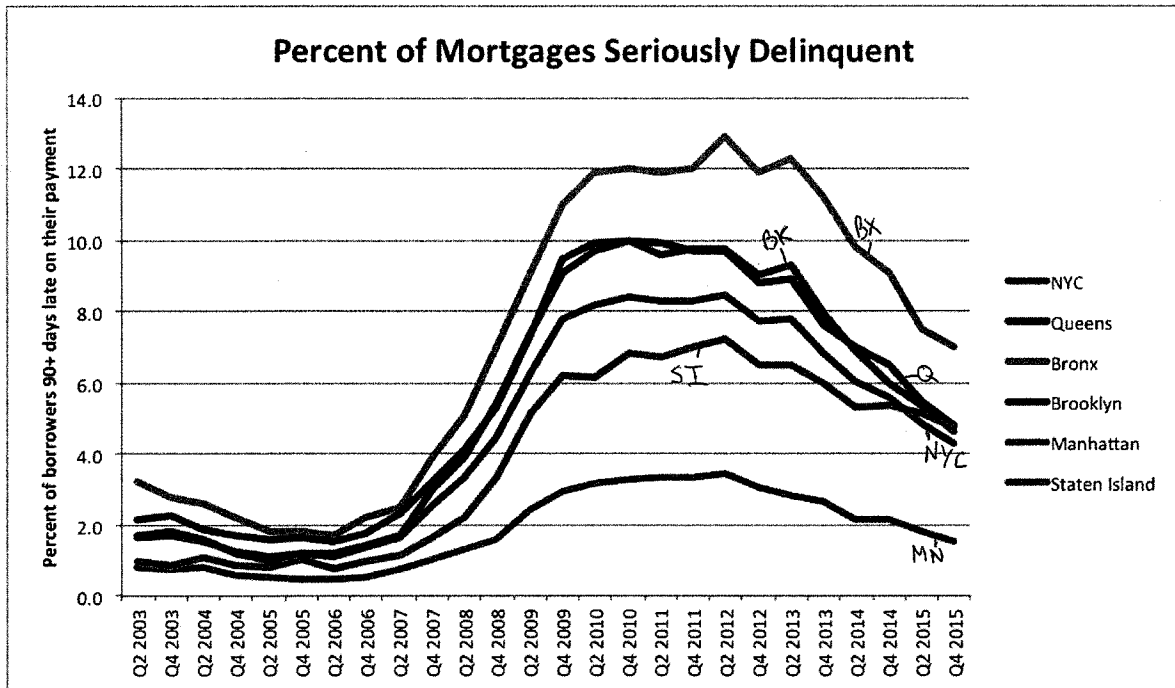
The 2016 initial purchase was a major victory for New York City and a source of hope for cities nationwide that continue to struggle to overcome the impacts of the foreclosure crisis. As you have heard today, the initial results of the program are very promising, with several affordable modifications secured for New York City families who the FHA had previously written off as lost causes, and many more on the way.

The next step for the fund is to acquire more mortgages, and we continue to engage the FHA, Fannie Mae, and Freddie Mac to sell us more pools. However, in November 2016, after seeking to purchase an additional FHA pool, we were informed that the FHA was temporarily halting its note sales program, and it is unclear what shape it will take when it resumes.

Of course, the change in presidential administration creates an added level of uncertainty as to the future of federal mortgage policy, and specifically whether and how note sales programs will incentivize sales to nonprofits and municipalities. We will hope for the best, and in the meantime, work to identify alternative sources of mortgages and properties so we can continue to expand the program.

#### **The Need for Foreclosure Prevention Services Remains High**

While the the future of federal note sale programs is uncertain, the need for foreclosure prevention services remains high: after all, the Community Restoration Program will not be able to purchase every NYC mortgage at risk of foreclosure. Despite fewer new foreclosure filings, NYC homeowners are still experiencing the effects of the great recession: today the seriously delinquent rate is about three times higher than it was in the early 2000's, meaning that significantly more homeowners are 90 or more days late on their mortgage than before the collapse of the housing market.



Source: NY Federal Reserve

In addition to its support of the Community Restoration Program, City Council has been a generous supporter of foreclosure prevention services. Through the Mortgage Foreclosure Prevention Program, City Council funds \$1 million annually to the Center for NYC Neighborhoods to regrant to our Network Partners and support our foreclosure prevention work. We thank the members of the City Council for your ongoing support of our program.

Additionally, we would like to ensure that the City Council is aware that our largest source of foreclosure prevention services funding, the Attorney General’s Homeowner Protection Program, will end in September of 2017. This funding stream came from one-time settlements with financial institutions, and there is no possibility of renewing the program beyond September of this year. This program provided \$20 million in annual statewide funding for foreclosure prevention services, including \$9 million for NYC, and the loss of this funding would be a major blow to homeowners throughout the state.

Therefore, the Center for NYC Neighborhoods has joined the Protect NY Homes campaign to rally for inclusion of this funding within the 2017-2018 State budget, and we encourage the City Council to support our budget ask of \$10 million for this state fiscal year (as funding is secured for the first half of the year), with \$20 million annually going forward.

Once again, I would like to thank the members of the City Council for your strong support of NYC homeowners at risk of foreclosure. Thank you for the opportunity to testify today.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: MARLENE MARSHALL/TESTIFYING  
(PLEASE PRINT)

Address: 231 BAYN BRIDGE LLC NYSD

I represent: NEW YORK STATE FORECLOSURE

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: David Quart  
(PLEASE PRINT)

Address: 100 Gold Street, NY, NY

I represent: NYC HPD

Address: 100 Gold Street, NY, NY

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Kim Darga  
(PLEASE PRINT)

Address: NYC HPD, 100 Gold Street, NY, NY

I represent: NYC HPD

Address: 100 Gold Street, NY, NY

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 2/14/2017

(PLEASE PRINT)

Name: Yolande Nicholson

Address: 26 Court St, 1211, Brooklyn 11242

I represent: NYS Foreclosure Defense Bar

Address: Same

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Christie Peale

Address: 17 Battersy Pl. Ste. 728, New York NY 10004

I represent: Center for NYC Neighborhoods

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Christopher Fasano, MFY Legal Services

Address: 299 Broadway, 4th Floor, New York, NY 10007

I represent: NYC homeowners

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
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Appearance Card



I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: 2/14/17

(PLEASE PRINT)

Name: Gordon James of Cecilia Joza

Address: \_\_\_\_\_

I represent: myself, my home + CRF program

Address: \_\_\_\_\_

◆ Please complete this card and return to the Sergeant-at-Arms ◆

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THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: 2/14/17

(PLEASE PRINT)

Name: Ismere Speliotis

Address: one memo team N. 11th St Bklyn NY 11209

I represent: MHANY

Address: \_\_\_\_\_

◆ Please complete this card and return to the Sergeant-at-Arms ◆



**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Alice A. Nicholson Esq

Address: 26 Court Street - Suite 1307

I represent: Brooklyn NY 11242

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 2/14/17

(PLEASE PRINT)

Name: SALVATORE D'AVOLA

Address: 150 BROADWAY

I represent: NEIGHBORHOOD RESTORE

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms