



Legislation Text

File #: Res 1725-2008, **Version:** A

Proposed Res. No. 1725-A

Resolution calling upon the New York State Legislature to pass and the Governor to sign into law S.1182 and A.5358, which require the holder of a mortgage who prevails in a foreclosure proceeding to maintain the property involved in the foreclosure action in a safe and habitable condition until it is disposed of.

By Council Members White Jr., Comrie, Fidler, Gentile, James, Seabrook, Nelson and Vann

Whereas, The sub-prime mortgage crisis has lead to increased foreclosure rates in New York State; and

Whereas, Properties foreclosed upon often sit vacant for many months, or even years; and

Whereas, Vacant properties affect entire communities by increasing fire hazards, facilitating criminal activity, and causing an adverse aesthetic impact; and

Whereas, A January 2008 study, conducted by the Center for Responsible Lending, found that a residential mortgage foreclosure has a measurable adverse affect on the sales price of nearby single-family homes for a period of up to two years after the foreclosure; and

Whereas, Allowing a foreclosed upon property to fall into disrepair only exacerbates its detrimental impact on the surrounding community; and

Whereas, Mortgage holders who prevail in foreclosure proceedings currently have no obligation to maintain or repair the foreclosed upon properties; and

Whereas, Proper maintenance of foreclosed upon properties would greatly reduce their negative impact on surrounding property values and community safety; and

Whereas, Identical bills have been introduced in the Senate, S.1182, and in the Assembly, A.5358, to address the negative impact that foreclosed upon properties have on the surrounding community; and

Whereas, These bills would add a new section 9-102 to the General Obligations Law to require the

holder of a mortgage who prevails in a foreclosure action to maintain the property involved in the foreclosure action in a safe and habitable condition until it is sold, occupied by a renter, or otherwise legally disposed of; and

Whereas, These bills would give the municipality in which the foreclosed upon property is located and any homeowners association whose rules and regulations may govern the property the right to enforce the maintenance requirement; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass and the Governor to sign into law S.1182 and A.5358, which require the holder of a mortgage who prevails in a foreclosure proceeding to maintain the property involved in the foreclosure action in a safe and habitable condition until it is disposed of.

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