



Legislation Text

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Res. No. 420

Resolution calling upon the New York State Assembly to pass A.6756, which would delay foreclosure proceedings throughout New York State for one year.

By the Public Advocate (Mr. de Blasio) and Council Members Barron, Gentile, Palma, Williams, Cabrera, Nelson and Halloran

Whereas, According to the Mortgage Bankers Association, approximately six million foreclosures have been initiated since 2007, and approximately 6.5 million homes are currently at risk of foreclosure; and

Whereas, Credit Suisse estimates that at least 8.1 million families will lose their homes to foreclosure in the next four years; and

Whereas, Foreclosure notices were filed on one out of every 158 homes in New York State in 2009, a 30 percent increase from 2007; and

Whereas, Almost 5,000 homes entered into foreclosure in the first quarter of 2010, a 1.5 percent increase from the previous quarter and a 16.21 percent increase from the first quarter of 2009; and

Whereas, In a city already struggling with a high unemployment rate and decreased property values, it is imperative that troubled homeowners in New York be able to modify their mortgages and avoid foreclosure; and

Whereas, Placing a temporary moratorium on mortgage foreclosures would enable a borrower to remain in his or her home while renegotiating the terms of his or her mortgage with the lender; and

Whereas, There is a historical precedent for a foreclosure moratorium in New York State, such as the moratorium imposed in 1933 under the governorship of Herbert H. Lehman; and

Whereas, If passed, A.6756 would amend the New York State Real Property Actions and Proceedings

Law to mandate a one-year delay between the moment entitlement to foreclosure is determined and the moment the court order actually transfers the title; and

Whereas, Under A.6756, the mortgagor would still make a minimum monthly payment to the mortgagee while the two parties renegotiate the terms of the loan, with failure to do so resulting in the lifting of the moratorium; and

Whereas, A one-year foreclosure moratorium is one of many necessary steps to mitigate the effects of the subprime mortgage foreclosure crisis in New York State; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Senate to pass A.6756, which would delay foreclosure proceedings throughout New York State for one year.

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