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# A key foreclosure prevention program is at risk in NY's state budget | Opinion

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When Mr. and Mrs. Williams lost their sole source of income after the pandemic forced their small business to shut down, they inevitably fell behind on their home's mortgage payments and their lender initiated a foreclosure action in court. The Williams were struggling to find alternative work, and like most homeowners in foreclosure, they could not afford an attorney to help them. They needed time to get back on their feet and work something out with their lender.

Thankfully, the Williams learned about and engaged with Legal Services of the Hudson Valley's (LSHV) free foreclosure prevention legal services. Their LSHV attorney explained the new foreclosure moratorium laws to them, assisted them in filing a hardship declaration to pause their foreclosure case until May 1, 2021, and assured them that LSHV would provide them with the support that they need every step of the way. That is, as long as this program continues to exist: these free foreclosure prevention services are made possible through the Homeownership Protection Program (HOPP).

HOPP is a state program for homeowners like the Williams. It funds 88 nonprofit organizations across New York that provide no-cost legal and counseling services to homeowners. HOPP depends on the state renewing its funding every year in its budget.

Simply put, unless the Legislature and governor direct funds to HOPP in this year's budget, the program will end this month and leave homeowners across the state, like the Williams, at risk of foreclosure and displacement.

In 2019 and 2020, LSHV prevented 344 foreclosures and provided services to hundreds of other homeowners enabling them to represent themselves and either save their homes, or mitigate their losses and relocate, thereby avoiding homelessness. Without continued HOPP funding, LSHV will be forced to shutter its Foreclosure Prevention Unit at a time when HOPP is more critical than ever with a statewide mortgage delinquency rate of nearly 12% and the Hudson Valley facing an affordable housing crisis like never before. Once moratoria and forbearance programs end in April, there will be a flood of new foreclosure filings.

A dozen strong consumer protection laws, put in place following the 2008 housing crisis, require pre-foreclosure notices to be provided to homeowners at risk of foreclosure, a mandatory settlement conference process for foreclosure cases once they get to court, protections for reverse mortgage borrowers, and strong mortgage servicing regulations. Regardless of how strong the laws are on paper, they are worthless if consumers can't turn to advocates who can help them interpret and enforce their rights against unlawful and predatory practices — a pillar of HOPP.

The record shows that HOPP is not just good policy but a good deal for New York. HOPP saves NYS over $1.2 billion a year in property value preservation, tax savings and additional cost savings to localities, while the cost of HOPP to the state is approximately $20 million — an almost 60 times return on investment.

Even if HOPP only prevents 3% of homeowners from becoming homeless, it would pay for itself. As an increasing number of people from New York City continue to move to the Hudson Valley amid the pandemic, affordable rental housing is becoming even more scarce.


A foreclosed home in White Plains went up for public auction in 2010. *File Photo*

In Westchester County, it costs as much as $78,000 per year to provide emergency shelter to a family. At these costs, keeping just 257 families housed would be more than the annual cost of HOPP, which serves approximately 15,000 families per year.

HOPP is one of the best tools we have to preserve affordable homeownership, enforce strong law and build generational equity for homeowners. New York state — and especially the Hudson Valley — cannot afford to lose it.

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