



**HOMEOWNER PROTECTION  
PROGRAM FUNDING CAMPAIGN**

October 11, 2024

The Honorable Kathy Hochul  
Governor of the State of New York  
New York State Capitol Building  
Albany, New York 12224

Re: 2026 Executive Budget and the Homeowner Protection  
Program (“HOPP”)

Dear Governor Hochul:

The undersigned eighty-nine non-profit housing counseling and legal services organizations that comprise the Homeowner Protection Program (HOPP) network, along with the Anchor Partners who administer the program, urge you to include level funding of \$40 million for HOPP in the SFY 2026 Executive Budget. The HOPP program is New York’s only statewide resource that prevents foreclosures and preserves affordable homeownership. Since inception, the network has assisted over 130,000 New York families.

HOPP is the bedrock of comprehensive housing policy, which must account for preservation of existing, affordable homeownership parallel to the creation of new housing stock. At the same time, the need for housing counseling and legal services that preserves homeownership in every county of the state requires permanent and stable funding. We also encourage you to recognize that by signing into law S.7297 (Kavanagh) /A.7636 (Solages), which would enshrine the HOPP program in New York Real Property Law Section 265 along with New York’s other legislative tools combatting deed theft and distressed property consultants. Signing that legislation and providing \$40 million for HOPP will directly combat deed theft and scams and prevent avoidable foreclosures, thereby stabilizing communities and preserving local tax bases. It would ensure that your enactment of recent legislation addressing deed

theft, partition scams and tangled title issues will be fully realized.

To ensure continuity of services, it is critical that funding is consistent, and it should not come at the expense of other vital safety net programs. The unprecedented “sweeping” of the Interest on Lawyer Account (“IOLA”) funds to support HOPP in the FY 2025 Enacted Budget resulted in a net negative for civil legal aid, thereby exacerbating an existing civil justice gap of over \$1 billion. As a result, there is now \$55 million less available to fill that need<sup>1</sup>. We note that IOLA has a legal obligation to independently distribute funding generated from interest on accounts held by lawyers for their clients, and it is specifically dedicated to the funding of civil legal services for New York’s low-income populations. If private lawyers lose their trust that the funds, which are not taxpayer dollars, will be used as intended, they may stop using these accounts thereby jeopardizing the program’s viability. Moreover, since the majority of the HOPP grantees are housing counseling agencies and not civil legal services providers, it puts the HOPP Network as whole – and housing counselors in particular -- at risk since these are outside of the legal scope of purposes which IOLA can fund. Lastly, the use of IOLA funds to support HOPP is not viable because there is no assurance of a continued high rate of return that led to the targeting of IOLA in the first instance.

The need for the services of the HOPP network is persistent, akin to the need for advocates who work with renters whose housing is threatened. The homeownership preservation services that the HOPP network provides are critical to preventing deed theft, loan modification, partition scams and other schemes targeting the elderly and Black and Brown homeowners, as you recognized last November when you signed legislation addressing deed theft scams. Those legislative improvements are important in promoting stable homeownership across the state, but they are ineffectual without the HOPP providers who ensure their enforcement. In fact, standing beside you when you signed that legislation were two homeowner clients of HOPP grantee Brooklyn Legal Services, which successfully represented those homeowners in protracted litigation against a notorious deed theft

---

<sup>1</sup> Last year’s budget included the \$40 million needed to fund the program for the contract year that runs from July 16, 2024 to July 15, 2025, but the use of IOLA funds for this purpose was unprecedented.

operation which ultimately led to the return of their stolen home.

The legislation enacted in November 2023, and additional measures passed as part of the SFY 2025 Budget, improve the laws that provide redress to those already victimized by deed theft and other scams. But as we continue our efforts to preserve homeownership it is equally important that we prioritize *prevention*. HOPP is the *only* resource available statewide to *prevent* distressed homeowners from being preyed upon by such scam artists. Indeed, without the HOPP network, distressed homeowners have nowhere to turn for help *except* the scammers all-too eager to strip homeowners desperate to avert foreclosure of the equity in their homes. With deed theft and partition scammers overwhelmingly targeting communities of color and the elderly, exacerbating the gaps in homeownership that prevent accumulation of intergenerational wealth in communities of color, it is crucial to ensure the continued availability of free housing counseling and legal services that mitigate threats to homeownership in every county of the State.

Foreclosures have been a continual and pervasive problem since the 2008 economic crisis. Delinquency rates were decreasing and reached a low of 4.9% in 2019, but the COVID pandemic presented a whole new series of challenges to New York homeowners—challenges which persist. U.S. Census Household Pulse Survey data for the July 23-August 19, 2024 period shows that an average of nearly 6% of New York homeowners were not current on their mortgage loans—280,815 families' homes were at risk. Even more stark are the disparate delinquency rates between white homeowners and homeowners of color: for that period more than 10% of Black and Brown homeowners were not current, compared to 3.4% of non-Hispanic white homeowners in New York State. Of the 280,815 New York homes that were delinquent on their mortgages during that period, nearly 64% are owned by Black and Brown New Yorkers. Preserving homeownership, accordingly, is very much a civil rights and economic justice issue, as foreclosure represents not just the loss of homes, but also the stripping of equity and generational wealth from communities of color. Homes lost to foreclosure, especially in urban areas, also represent the loss of affordable rental housing, as many of the homes include rental units which are lost when homes succumb to foreclosure and are purchased at auction by real estate speculators. The loss of these homes to foreclosure also increases the significant

disparity in homeownership rates for communities of color compared with white communities.

The high mortgage delinquency rates are also reflected in foreclosure court filings, which have been increasing dramatically since the courts resumed activity after pandemic pauses ended. According to New York State Unified Court System data, as of September 2024 nearly 11,000 new foreclosure actions were commenced statewide in the first eight months of 2024, and there were 21,692 pending foreclosure cases statewide—a significant increase from the 20,783 foreclosure cases that were pending in the same period in 2023.<sup>2</sup> These numbers, furthermore, do not capture the thousands of other homeownership-threatening cases pending in the courts, including property tax or utility lien foreclosures, foreclosures on coops, solar frauds targeting low and moderate income homeowners, partition actions victimizing heirs of “tangled title” properties, or litigation stemming from deed theft scams.

There were 9,529 pending foreclosure cases pending as of September 2024 just in New York City (compared with 8,837 cases for the same period in 2023), with more than three thousand new filings just in the first eight months of the year. In Nassau and Suffolk Counties, which have historically been afflicted by high foreclosure rates, 4,853 foreclosure actions were pending as of September 2024 (compared with 4,788 cases pending in the same period in 2023), with nearly 2,500 new filings in the first eight months of 2024.<sup>3</sup>

Consistent with these statistics, in the years since the pandemic we have seen dramatic increases in the need for the HOPP network’s services. In the contract year that ran from July 16, 2023 to July 15, 2024 the HOPP network of

---

<sup>2</sup> These numbers do not capture foreclosure filings that are brought by some lenders in the federal court system to evade consumer protections that are codified in the laws governing residential foreclosure cases in the state court system.

<sup>3</sup> This is consistent with industry reports showing increased foreclosure activity. See U.S. FORECLOSURE ACTIVITY SEES A MONTHLY INCREASE IN JULY 2024, Attom, Aug. 15, 2024 (available at <https://www.prnewswire.com/news-releases/us-foreclosure-activity-sees-a-monthly-increase-in-july-2024-302221941.html>) (reporting that New York was among the states with the greatest number of foreclosure starts in July 2024, and that New York City had the greatest number of foreclosure starts among the metropolitan areas with population greater than 1 million.

housing counseling agencies and legal services providers served 20,324 families at risk of foreclosure and other threats to homeownership with a total staff count of 668. These numbers are more than double the number served as recently as the July 16, 2021-July 15, 2022 contract period and are comparable to the numbers served in the July 16, 2022 to July 15, 2023 contract year.<sup>4</sup> Yearly, all HOPP funding is allocated and any delays in spending down funds are largely due to the state's long and burdensome contracting process and the fact that the HOPP contract year ends on July 15 and thus is not aligned with the state budget year. Without an allocation of \$40 million in the coming year's budget, there will be no funding for the HOPP network at the conclusion of the contract year that ends on July 15, 2025.

HOPP's 89 community-based nonprofit legal services and housing counseling organizations employ more than six hundred and fifty specially trained advocates who prevent families from losing their homes and falling victim to deed theft and other scammers preying on vulnerable low-and-moderate-income homeowners. Before HOPP and its predecessor program made these direct services available to New York homeowners nearly fifteen years ago, more than 90% of foreclosure cases ended in default judgments, with no homeowner participation in the judicial process and thousands of homes needlessly lost. That number fell to less than 15%, thanks to the availability of HOPP-funded direct service providers. Pre-pandemic, home-saving loan modifications have been achieved in 25%-35% of the cases, conservatively estimated. HOPP assists hundreds more to save their homes through other home retention workouts and tax foreclosure assistance. The network ensures that struggling homeowners' legal rights are protected in court, so that the important consumer protections enacted by the State are enforced, leveling the playing field in a judicial process in which some of the largest financial institutions are represented by some of the world's largest law firms. Even where homeownership cannot be preserved, HOPP agencies help families to avoid auctions and evictions, saving New York State billions in property preservation, tax loss and ancillary costs to communities that result from vacancy, displacement, and homelessness.

---

<sup>4</sup> These numbers are derived from HOPP grantees' data reporting to the two Anchor Partners who work with the Office of the Attorney General to administer the HOPP grants, Empire Justice Center and the Center for New York City Neighborhoods.

HOPP is the only source of dedicated statewide funding for homeownership preservation and foreclosure prevention, and one of the only statewide programs supporting low-income and working-class homeowners. If funding is not maintained, HOPP services will disappear in most counties. Without service providers on the ground, homeowner protections enacted following the financial crisis will be rendered meaningless and ineffectual. These laws and programs include:

- NYS's statewide toll-free homeowner hotline (855-HOME-456).
- NYS Department of Financial Services' statutory mandate to provide a list of free counseling services for notices that lenders are required to send prior to a foreclosure filing (NY RPAPL § 1304).
- Mandatory foreclosure settlement conferences which afford homeowners in foreclosure cases in court the opportunity to seek help from HOPP providers to access their statutory right to answer foreclosure complaints, as well as the chance to negotiate workouts (CPLR § 3408).
- Deed theft scam prevention laws, such as the Home Equity Theft Prevention Act and the Distressed Property Consultant law and recent enactments addressing partition scams: without HOPP services, desperate homeowners will turn to scammers, and enforcement of consumer protection laws will be subverted.
- Zombie property and vacant property programs, including working with land banks, put in place to help communities in the wake of the last foreclosure crisis; and
- Department of Financial Services Business Conduct Rules for Mortgage Servicers (Part 419) made permanent in 2019, which are very strong on paper but meaningless without access to advocates to insist on their enforcement.

State-funded foreclosure prevention services began in 2008, with \$25 million in state general fund dollars. HOPP was established in 2012 and was funded with \$20 million annually until 2021, when HOPP received an increase to \$35 million to address the new delinquency crisis that developed in the aftermath of COVID. For

the last two years, with further increases in delinquency rates and the resumption of activity in the courts, which had been stayed following the pandemic, \$40 million was provided in the FY 2024 and 2025 budgets.

The under-signed organizations respectfully ask that you include \$40 million for HOPP in your 2024-25 Executive Budget and a commitment for succeeding years. Thank you for your attention to this important request.

Please contact Jacob Inwald, Legal Services NYC at 646-442-3634, [jinwald@lsnyc.org](mailto:jinwald@lsnyc.org), or Jim Dukette, Empire Justice Center at 585-455-4411, [jdukette@empirejustice.org](mailto:jdukette@empirejustice.org) with any questions or to schedule a meeting to discuss further.

Sincerely,

Access Justice Brooklyn  
Accord Corporation  
Affordable Housing Partnership of the Capital Region  
Albany County Rural Housing Alliance, Inc.  
Allegany County Community Opportunities and Rural Development, Inc.  
American Debt Resources, Inc.  
Arbor Housing and Development (Steuben Church People Against Poverty)  
Belmont Housing Resources for WNY, Inc.  
Better Neighborhoods, Inc.  
Bronx Legal Services  
Bronx Neighborhood Housing Services CDC, Inc.  
Brooklyn Legal Services  
Brooklyn Legal Services Corporation A  
Brooklyn Neighborhood Services CDC  
Buffalo Urban League, Inc.  
CAMBA/ CAMBA Legal Services  
Catholic Charities of Chemung/Schuyler Counties  
CCCS of Buffalo  
CCCS of Rochester  
Center for Elder Law & Justice, Inc.  
Center for NYC Neighborhoods, Inc.  
Central Islip Civic Council, Inc.  
Chautauqua Opportunities Inc.  
City Bar Justice Center

Community Development Corporation of Long Island  
Community Housing Innovation  
Consumer Credit Counseling Service of Buffalo, Inc.  
Consumer Credit Counseling Service of Rochester, Inc.  
Cypress Hills LDC  
Empire Justice Center  
EOC of Suffolk, Inc.  
Franklin County Community Housing Council  
Friends of the North Country, Inc.  
Fulton Community Development Agency  
Galvan Housing Resources of Columbia County  
Grow Brooklyn  
Hiscock Legal Aid Society  
Hispanic Brotherhood. Inc.  
Home HeadQuarters  
Housing and Family Services of Greater New York  
Housing Assistance Program of Essex County, Inc.  
Housing Help, Inc.  
Hudson River Housing.org  
Human Development Services of Westchester, Inc.  
IMPACCT Brooklyn  
JASA Legal Services for Elder Justice  
Keuka Housing Council, Inc.  
Labor & Industry For Education, Inc.  
La Fuerza Unida  
Legal Aid Bureau of Buffalo, Inc.  
Legal Aid Society of Mid-New York, Inc.  
Legal Aid Society of Northeastern New York, Inc.  
Legal Aid Society of Rochester  
Legal Aid Society of Rockland County, Inc.  
Legal Assistance of Western New NY  
Legal Services for Elder Justice  
Legal Services NYC  
Legal Services of the Hudson Valley  
Legal Services of Long Island Inc. f/k/a Nassau Suffolk Law Services Committee Inc.  
Long Island Housing Partnership  
Long Island Housing Services, Inc.  
MHANY Management  
Metro Interfaith Housing Management Corp  
Mobilization for Justice, Inc.  
Nassau Bar Foundation, Inc  
Neighborhood Housing Services of Jamaica, Inc.  
Neighborhood Housing Services of Queens CDC, Inc.  
Neighbors Helping Neighbors (5<sup>th</sup> Avenue Committee)  
New York Legal Assistance Group (NYLAG)  
Neighborhoods for a Sustainable Future (N4SF) f/k/a NHS of Staten Island



Neighborhood Housing Services of Brooklyn, CDC, Inc.  
Northfield Community LDC of Staten Island, Inc.  
Putnam County Housing Corporation  
Queens County Bar Association Volunteer Lawyers  
Queens Legal Services  
Queens Volunteer Lawyers Project  
Rockland Housing Action Coalition, Inc.  
Rural Development Advisory Group  
Rural Ulster Preservation Co.  
SafeGuard Credit Counseling  
Staten Island Legal Services  
The Housing Council at Pathstone  
The Legal Aid Bureau of Buffalo, Inc.  
The Legal Aid Society of Rochester, NY  
The Legal Project  
The Legal Aid Society  
The SafeGuard Group  
Touro University Jacob D. Fuchsberg Law Center  
Troy Rehabilitation and Improvement Program, Inc. (TRIP)  
United Tenants of Albany  
Utica Neighborhood Housing Service, Inc (dba: HomeOwnershipCenter)  
Volunteer Legal Services Project  
Westchester Residential Opportunities, Inc.  
Western Catskills Community Revitalization Council, Inc.  
Western New York Law Center, Inc.  
West Side Neighborhood Housing Services

cc:

Roger Maldonado, [Roger.Maldonado@exec.ny.gov](mailto:Roger.Maldonado@exec.ny.gov)  
Tania Dissanayake, [Tania.dissanayake@exec.ny.gov](mailto:Tania.dissanayake@exec.ny.gov)  
Jane Weisenberg, [Jane.Weisenberg@exec.ny.gov](mailto:Jane.Weisenberg@exec.ny.gov)  
Jaqueline Paredes, [Jacqueline.Parades@exec.ny.gov](mailto:Jacqueline.Parades@exec.ny.gov)  
Angel Vasquez, [angel.vasquez@exec.ny.gov](mailto:angel.vasquez@exec.ny.gov)  
Kenan Kurt, [Kenan.Kurt@exec.ny.gov](mailto:Kenan.Kurt@exec.ny.gov)  
Kathryn Garcia, [kathryn.garcia@exec.ny.us](mailto:kathryn.garcia@exec.ny.us)  
Karen Persichilli Keogh, [Karen.p.keogh@exec.ny.gov](mailto:Karen.p.keogh@exec.ny.gov)  
Brian Mahanna, [Brian.Mahanna@exec.ny.gov](mailto:Brian.Mahanna@exec.ny.gov)  
Joshua Norkin, [joshua.norkin@exec.ny.gov](mailto:joshua.norkin@exec.ny.gov)  
Blake Washington, [blake.washington@budget.ny.gov](mailto:blake.washington@budget.ny.gov)  
Morris Peters [morris.peters@budget.ny.gov](mailto:morris.peters@budget.ny.gov)  
Nathaniel Reul, [nathaniel.reul@budget.ny.gov](mailto:nathaniel.reul@budget.ny.gov)  
Senator Brian Kavanagh, [kavanagh@nysenate.gov](mailto:kavanagh@nysenate.gov)  
Assembly Member Michaelle C. Solages [SolagesM@nyassembly.gov](mailto:SolagesM@nyassembly.gov)  
Senator Liz Krueger, [lkrueger@nysenate.gov](mailto:lkrueger@nysenate.gov)  
Senator Brad Hoylman-Sigal, [hoylman@nysenate.gov](mailto:hoylman@nysenate.gov)

Assembly Member Helene E. Weinstein, [WeinstH@nyassembly.gov](mailto:WeinstH@nyassembly.gov)  
Assembly Member Linda Rosenthal, [rosenthal@nyassembly.gov](mailto:rosenthal@nyassembly.gov)  
Assembly Member Jeffrey Dinowitz, [dinowi@assembly.gov](mailto:dinowi@assembly.gov)  
Assembly Member Charles Lavine, [lavinec@nyassembly.gov](mailto:lavinec@nyassembly.gov)