Housing counselors and legal services lawyers are working every day under the Foreclosure Prevention Services Program to save homes throughout New York. Success takes patience, persistence and expertise, but it is working.

MFY Legal Services, Inc. Reverses Illegal Foreclosure and Saves Ms. Robert’s home in Queens, NY
Ms. Roberts is a 73-year-old retired homeowner living in Queens. Her case is a classic example of “dual tracking” – lenders actively working with homeowners seemingly on a solution, and at the same time proceeding with foreclosure. In Ms. Roberts’ case, she was paying on an agreement with her servicer when the loan was transferred to Bank of America. Bank of America continued to accept payments for a time, and then told her to stop, assuring her they were about to offer a new plan.

Instead of a workout, Ms. Roberts got an eviction notice taped to her front door. Beside herself with fear, she went to MFY Legal Assistance, Inc. for help. MFY began a long process of unraveling the mess. Though it is almost impossible to get a foreclosure sale reversed, the attorney succeeded in vacating the sale and judgment based on improper transfer of the mortgage and lack of service. The lawyer also got $12,000 in fees dismissed and negotiated an affordable loan modification for Ms. Roberts.

New York Times columnist Joe Nocera wrote an article on the case, criticizing Bank of America and praising Ms. Roberts’ “dogged” lawyer,” adding “But it has to make you wonder how many other people have lost their homes because of similar mistakes. I can’t bear to venture a guess. It’s too sickening to contemplate.”

A Victim of the Economic Downtown is Kept in Her Home with the Assistance of TRIP, Inc. in Troy, NY
A Rensselaer County woman who owns her own business fell behind on her mortgage because of the economic downturn and loss of store revenue. With the assistance of TRIP, Inc. in Troy, NY, the HSBC loan was permanently modified, lowering the interest rate from 5.875% to an initial rate of 2%, and lowering monthly payments by almost $600 (from $2,185 to $1,565). The self-employed homeowner is now current and continuing to live in her home.

Lawyer and RUPCO Counselor Collaborate to Save Hudson Valley Home
A homeowner who had lost his wife, and income from his business, was in foreclosure with a sale date scheduled. The court referred the homeowner to Rural Ulster Preservation Company (RUPCO). A lawyer filed a motion to stay the sale. The homeowner attended a settlement conference with a RUPCO housing counselor and requested consideration for a loan modification. By this time, the homeowner had found new employment and could sustain a mortgage payment, but could not cure his arrears. The counselor ultimately helped the homeowner to get a loan modification which brought the loan current and gave the homeowner a reduced interest rate and lower monthly payment.

For more information, contact:
Kirsten Keefe, Senior Attorney
Empire Justice Center
(518) 462-6831
kkeefe@empirejustice.org
www.empirejustice.org
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Chautauqua County Widow’s Home is Saved Because of a Housing Counselor’s Expertise

A young mother with 2 children fell behind on her mortgage after the death of her husband. She tried for months to work with her servicer unsuccessfully. The mother finally went to Chautauqua Home Rehabilitation & Improvement Corporation with letters of denial and the acceleration notice to foreclose, in hand. The housing counselor knew the servicer had an alternative modification program that should have been offered to the homeowner but wasn’t, and pushed for the homeowner to be considered. Mom was finally granted a permanent modification that brought the loan current and gave her a lower interest rate. She is current on her loan and remains in her home with her children.

Staten Island Couple Keeps Home After Court Finds that Wells Fargo Violated HAMP

Mr. and Mrs. E.L., a working-class couple living in Staten Island, tried to navigate the complex and confusing federal Make Home Affordable Modification Program (HAMP) on their own. Unsuccessfully working with their servicer, Wells Fargo, for 8 months the couple was connected to legal services when they attended their foreclosure settlement conference. The lawyer determined the bank had incorrectly programmed its computer system and had wrongly denied the couple’s request for a HAMP loan modification. After multiple settlement conferences and five court appearances over nine months, the Court found that HAMP had been violated and sanctioned Wells. The couple ended up with a permanent loan modification that reduced their mortgage payments from $2,466.72 to $988.65, a 60% reduction, and ultimate savings of approximately $135,000 over the life of the loan.

Long Island Housing Services, Inc. Saves Couple’s Home of 12 Years, Turning Tears into Laughter

A Suffolk County couple who had always been on time with their mortgage, fell 7 months behind after the husband’s hours as a mailman were cut and his wife lost her job. Long Island Housing Services helped the couple get a permanent loan modification under the federal Home Affordable Modification Program (HAMP). The loan modification reduced the interest rate to 2.375% for the first 5 years, and reduced the couple’s monthly payment by $700, to $1808 per month. The clients wrote a letter praising the counselor for her dedication, wealth of knowledge, sincerity, warmth and “take-over attitude” sprinkled with a great sense of humor, saying their tears had been turned to laughter.

Empire Justice Center negotiates with lender to enable Rochester widow to get a reverse mortgage

Mrs. G. is an 80-year old widow living in one of Rochester’s suburbs in her home since the 1970’s. When her husband died 2 years ago, Mrs. G. was left with large medical expenses and a mortgage payment that was too high for her income. Despite repeated requests, the lender was not willing to offer any assistance. By the time Ms. G. sought legal help from Empire Justice Center, she owed $217,000 on a home worth $152,000. Mrs. G’s lawyer successfully negotiated with the lender and got them to accept $115,040 in full satisfaction of the loan. This allowed Mrs. G. to obtain a reverse mortgage, enabling her to remain living in her home for the rest of her life without ever having to make another mortgage payment. The total savings obtained for Mrs. G, including interest she would have paid on the loan, is approximately $759,694.