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A new report from Empire Justice Center, ***In the Eye of the Storm: Why the Threat of Foreclosure Damage Continues***, examines more than five years of foreclosure data, combining court records with city property records to evaluate the impact of foreclosures. The report concludes that:

- Given the huge number of foreclosure cases still pending and a steady rate of mortgages that are seriously delinquent, the foreclosure crisis in New York State is far from over - *despite national trends*.
- High concentrations of foreclosures impact home values in African-American and Latino neighborhoods disproportionately, and those neighborhoods saw huge drops in mortgage lending for new home purchases from 2009 to 2012.
- Keeping owners in their homes is the best way to prevent a house from becoming vacant in neighborhoods with weak home-buyer markets, such as Rochester's African-American and Latino neighborhoods. That means considering principal reductions to more accurately reflect the current true value.
- Houses that have been lingering in foreclosure, sometimes for several years, are far more likely to become a vacant "zombie home."
- Foreclosures on vacant houses must be carried out quickly to reduce the adverse impact on neighboring houses, but in most cases the delays in going forward with a foreclosure on a vacant property are caused by the banks themselves - often because mortgages and mortgage "servicing rights" are being sold and transferred in bulk transactions.
- Banks do not appear to have effective mechanisms in place to identify low-value properties where going through with a foreclosure will not be the best option. Banks need to do timelier and more accurate appraisals, especially in neighborhoods with high concentrations of foreclosures. They then need to notify both homeowners and the city when they won't be going ahead with a foreclosure.
- Time estimates for how long it takes to prosecute a foreclosure in New York State are misleading since they include cases where the banks themselves have either stalled or abandoned the foreclosure.

In the Eye of the Storm: Why the Threat of Foreclosure Damage Continues strongly recommends that New York State provide much needed additional resources to help cities like Rochester that, through no fault of their own, have been left holding the bag after homeowners have vacated their home and banks have walked away from foreclosures filed years ago.

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