

# STAYING HOME

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A Report on the First Year of  
New York Attorney General Eric T. Schneiderman's  
Homeownership Protection Program (HOPP)

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NEW YORK STATE OFFICE  
*of the*

**ATTORNEY  
GENERAL**

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## ***A Message from Attorney General Schneiderman***

When I took office as Attorney General, New Yorkers were facing a situation unlike anything we have seen before. In 2011, a staggering 345,000 mortgages were either in default or delinquent in the State of New York. The number of people whose homes were underwater was unprecedented. I also quickly discovered that a substantial portion of the homeowners who were delinquent or facing foreclosure were forced to do so without speaking to a lawyer or housing counselor at any stage of the process.

That is why I made the early and swift decision to dedicate \$60 million from the National Mortgage Settlement to support the Homeowner Protection Program over three years; so that every homeowner in New York could have access to the highest quality advocacy and support when facing the incredibly daunting and scary prospect of foreclosure.

HOPP's success over the course of its first year has exceeded even my greatest expectations. In addition to providing high quality pro-bono services, the HOPP network has also ensured that the consumer relief benefits won under the National Mortgage Settlement was delivered directly to thousands of struggling New York families. In a report recently issued by the federal monitor who oversees the Settlement, we learned that almost \$2 billion in loan modification benefits has gone to New York families, far exceeding the estimated \$600 million initially expected from the Settlement.

I am often asked how New York has managed to do so well under this Agreement and my answer is always the same: It is because of HOPP. Because of the hard work and dedication of this network, we have more than tripled the amount of benefits provided to New Yorkers.

As we come to the end of the first and highly successful year of HOPP, I am proud to announce that my office has re-committed the same level of funding for the program's second year. This means that every region will receive roughly the same level of funding, with some increased funding allocations to communities where foreclosure rates remain the highest – Long Island, the Hudson Valley, and parts of Queens and Staten Island.

I look forward to forging ahead in partnership with this talented and committed network, and I offer my sincerest gratitude to the hard working counselors and lawyers who are out there on front lines, fighting every day to ensure that New York families remain in their homes.

Sincerely,

A handwritten signature in black ink that reads "Eric T. Schneiderman". The signature is written in a cursive, flowing style.

Eric T Schneiderman

## *Introduction*

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In March 2012, New York Attorney General Eric T. Schneiderman joined with the U.S. Department of Justice and 47 other Attorneys General in signing the National Mortgage Settlement, a historic agreement with the nation's five largest mortgage servicers.

In June 2012, Attorney General Schneiderman announced that he would dedicate a portion of the funds awarded under that Settlement to launch the Homeowner Protection Program (HOPP), a **\$60 million program over three years** to support housing counselors and legal service providers who are helping at-risk homeowners across New York to avoid foreclosure. The first year of HOPP grants were awarded in October 2012 to organizations operating around the state.

As we embark on the second year of this program, the Office of the Attorney General would like to take an opportunity to share the highlights and accomplishments of HOPP's first year. We would also like to extend our thanks to the housing counselors and legal service providers whose hard work have made this initiative such a tremendous success.

## *HOPP's First Year*

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The Office of the Attorney General's primary goal in launching HOPP was to ensure that no New Yorker would ever have to face the foreclosure process without access to a highly qualified lawyer or counselor.

To that end, the Office of the Attorney General made it a priority to ensure that funding was spread widely across the State, and that HOPP services were available in every county from Nassau to St. Lawrence, and from Washington to Niagara. During the first year, the Office of the Attorney General allocated grants to 92 direct service providers (both primary and sub-contracts). Fifty-eight of those organizations provide housing counseling services, and 34 of the organizations provide legal services. Per the terms of HOPP, each of the 92 organizations provides these services at no cost to the homeowners. In other words, 100 percent of HOPP services are free.

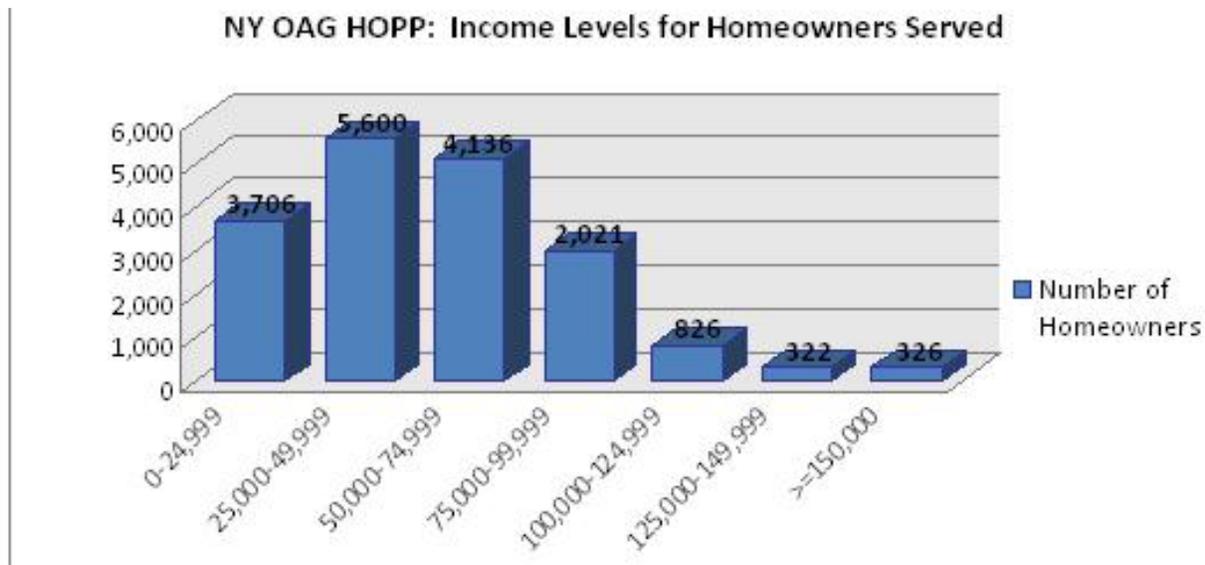
In addition to providing direct service grants, the Office of the Attorney General funded two "Anchor" organizations – the Center for New York City Neighborhoods and the Empire Justice Center –to assist with program management, provide day-to-day support and technical assistance to the HOPP network of grantees, and build a robust HOPP training component for direct service grantees. Finally, the Anchors assist the Office of the Attorney General with managing a **State-Wide Hotline** for homeowners to call to reach a housing counselor or legal service provider within 48 hours! To date more than **4,000 homeowners** have called the Attorney General Hotline.

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***Call:*** 1-855-HOME-456

***Or Visit:*** [www.AGHomeHelp.com](http://www.AGHomeHelp.com)

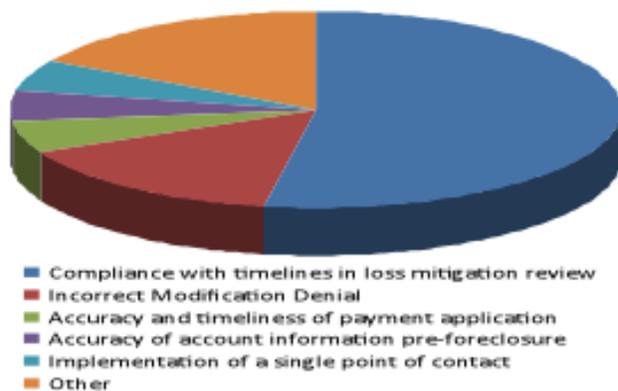
The Office of the Attorney General and the HOPP network have also made concerted efforts to ensure that the New York communities and families hit hardest by the foreclosure crisis and are the primary beneficiaries of HOPP services. As the chart below indicates, of the nearly 17,000 HOPP clients who reported income, more than **50 percent earn less than \$50,000 per year.**



### Mortgage Servicing Reforms

The HOPP network has also played an important role in serving as Attorney General Schneiderman’s “eyes and ears” when it comes to identifying persisting problems in the mortgage servicing industry, including trends that are needlessly perpetuating the foreclosure crisis.

**NY OAG HOPP: Top 6 Violations Reported**



Compliance with timelines in loss mitigation review	43%	893
Incorrect Modification Denial	16%	280
Accuracy and timeliness of payment application	.05%	99
Accuracy of account information pre-foreclosure	.05%	100
Implementation of a single point of contact	.05%	98
Other	18%	329

This aggregated information has allowed the Office of the Attorney General to determine where additional enforcement efforts are needed and what initiatives will be of the greatest benefit to New York families who are still struggling to stay in their homes.

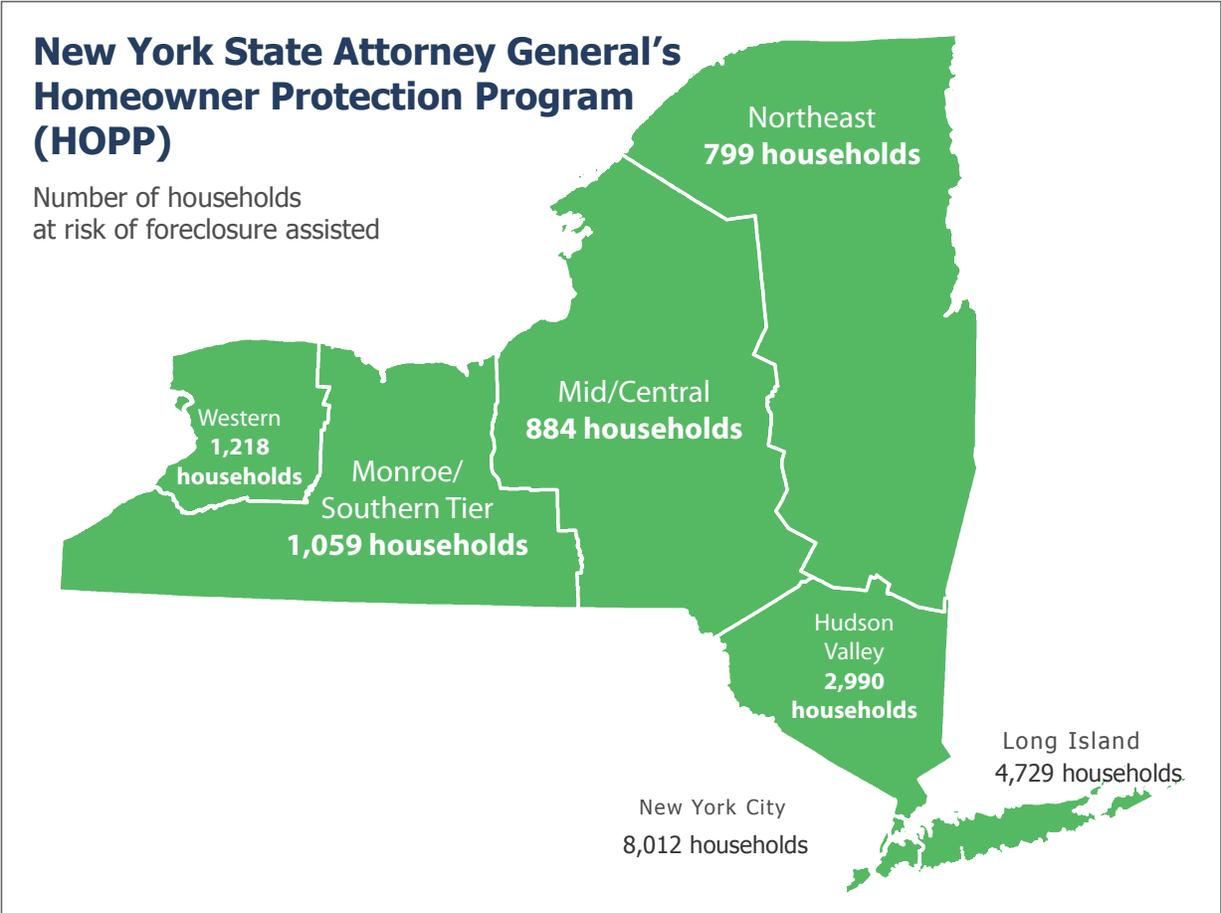
## Who Got Help

First year funding awards to housing counseling and legal service providers were allocated on a regional basis:

- \$3,133,415 in funding went to 13 organizations on Long Island
- \$6,924,815 in funding went to 35 organizations in New York City
- \$1,723,691 in funding went to 10 organizations in the Hudson Valley
- \$1,105,958 in funding went to 7 organizations in Western New York
- \$1,265,813 in funding went to 12 organizations in Monroe/Southern Tier
- \$1,019,583 in funding went to 9 organizations in Northeast New York
- \$890,020 in funding went to 6 organizations in Mid Central New York

In the first 12 months of operation, these 92 organizations served nearly 20,000 clients across the State of New York. That is direct help provided to almost **20,000 families** who might have otherwise had to face the foreclosure and loan modification process alone.

As the map below indicates, HOPP grantees touched families in virtually every area of the State:



## Success Stories

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HOPP grantees are not just serving New York families, they are getting significant results. Of the roughly 20,000 families served under HOPP this year, **4,952 families have loan modification applications** that are either pending or have already been approved. The consumers featured below are just a sampling of those success stories.



Homeowner: Katie Diaz – Bronx  
Advocate: Shervon Small – Legal Services  
NYC – Bronx

Ms. Diaz fell behind in 2009 because of a non-paying tenant, which led to income reduction. In May 2011, she regained employment and found a new paying tenant. With the help of HOPP grantee, Legal Services NYC – Bronx, Ms. Diaz received a permanent mortgage modification on her first mortgage with Bank of America.



Homeowner: Yousef Sajni – Staten Island  
Advocate: Mohammed Ibrahim – NHS of  
Staten Island

Mr. Sajni lost his job in 2011 and fell behind on his two mortgages. In 2012, he regained employment and started working with HOPP grantee, NHS of Staten Island. With their help, Mr. Sajni received a trial modification from Wells Fargo in October 2012 and a permanent modification in January 2013.



Client: O.C. and Martha Correa - Bayshore NY  
Advocate: Carrie Roman- Bilingual Housing  
Counselor, Long Island Housing Partnership

After enduring a loss of income during the recession and suffering more than \$20,000 in losses after Superstorm Sandy, Ms. Correa and her family attempted to get a loan modification on their own for over a year with no success. In September 2013, Ms. Correa found her way to HOPP grantee, the Long Island Housing Partnership, and in less than 30 days, the Correas were granted a temporary loan modification by CitiBank.

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### *A Story From Rochester:*

Client: Dale Cooper, Rochester NY, Advocate:  
Kevin Purcell, Empire Justice Center

Mr. Cooper lost income in 2010 but regained employment in 2011. He needed a significant modification to hold on to his home. Thanks to Empire Justice Center, he was able to negotiate a permanent modification which included a \$30,000 principal reduction on his mortgage.

