

March 29, 2010

MAYOR BLOOMBERG ANNOUNCES NEW *NYC SERVICE* INITIATIVE TO PROVIDE FREE LEGAL SERVICES TO HOMEOWNERS IN DANGER OF FORECLOSURE

Part of State of the City Pledge to Help Keep Families in Their Homes

Mayor Michael R. Bloomberg, New York City Chief Service Officer Diahann Billings-Burford, Corporation Counsel Michael A. Cardozo and Commissioner of Department of Consumer Affairs Jonathan Mintz today launched a new *NYC Service* initiative to provide free legal support for New Yorkers at risk of losing their homes to foreclosure. The program will increase the availability and effectiveness of free legal representation for those facing foreclosure by training and dispatching 300 volunteer attorneys to expand legal services provided by non-profit organizations. The free legal services program is a component of Mayor Bloomberg's 2010 State of City pledge to launch the most ambitious home foreclosure prevention effort of any city in the nation. The program will be implemented by *NYC Service*, the City's comprehensive initiative to promote a new era of service in New York City and direct volunteers toward the areas of greatest need. The Mayor also was joined at the announcement at the Queens County Supreme Court by Justice Fern A. Fisher, Deputy Chief Administrative Judge for New York City Courts, who is responsible for access to justice issues; Michael Hickey, Executive Director for the Center for New York City Neighborhoods; and Hilary Gingold, an attorney who will be participating in the program and has extensive experience working on a pro bono basis on foreclosure proceedings.

"The City's legal community has a long, proud history of pro bono work, and we are tapping into that tradition to bolster our comprehensive effort to prevent foreclosures," said Mayor Bloomberg. "The City has not been hit as hard as some other areas by the foreclosure crisis, in part due to our efforts, but we are seeing a serious impact. No family facing the loss of their home should be without representation. With a small commitment from just some of the 90,000 attorneys in the City, we can make sure every family in need has a better chance of staying in their home."

The new program, *NYC Service Legal Outreach*, focuses on providing homeowners legal assistance during the mandatory settlement conference stage. The settlement conference is a meeting between the homeowner and the bank where alternatives to foreclosure are negotiated. The Bloomberg Administration led efforts in Albany to help pass State legislation that requires settlement conferences be conducted before a foreclosure can proceed.

Settlement conferences represent a valuable opportunity to help homeowners avoid foreclosure. Homeowners who are supported in these proceedings with legal advice have a more informed understanding of their options and obligations, and are much more likely to avoid foreclosure.

NYC Service Legal Outreach aims to recruit 300 volunteer attorneys over the next three months. Volunteer attorneys do not need expertise in real estate law to be a part of the program. All volunteer attorneys will be supported by a comprehensive foreclosure and litigation skills training program, an up-to-date website that will include substantial resources on foreclosure work, and daily supervision by experienced legal services staff. The website will be supported by ProBono.Net, and the training program and supervision services will be provided by Empire Justice Center, Legal Services NYC, The Legal Aid Society and the City Bar Justice Center.

Volunteer attorneys can participate in the program in two ways:

- 100 volunteer attorneys will be stationed at appropriate courthouses to screen homeowners and provide them critical counsel about which legal process to engage in, based on their individual situations. In addition, these screeners will assist families in attaining appropriate free legal representation. The volunteers conducting screening may also provide limited advice and counsel to homeowners wishing to represent themselves. Attorneys will participate in one day of training and serve a minimum of two days volunteering at courthouses.
- 200 volunteer attorneys will be directly matched with individual homeowners and will advocate for individual homeowners throughout the foreclosure settlement process. Attorneys will participate in one day of training and several court appearances over the course of several months.

The Center for NYC Neighborhoods, which has been providing access to free housing counseling and legal services to New Yorkers since 2008, will direct homeowners in need to the *NYC Service Legal Outreach* program and volunteer attorneys in the *NYC Service Legal Outreach* will bolster the efforts of Center for NYC Neighborhoods, allowing the Center to serve more clients in need.

Homeowners facing foreclosure proceedings who are interested in retaining free legal services should go to www.nyc.gov or call 311.

"The Legal Outreach initiative shows that New York City can rely on the power of its people to strategically address our most pressing challenges," said Chief Service Officer Diahann Billings-Burford. "New York City has no shortage of lawyers who are ready and willing to support their neighbors in need – they just need to know how to do it. Through this partnership between *NYC Service* and the Center for New York City Neighborhoods, we will recruit and train

volunteer attorneys to dramatically increase the capacity of New York City's pro bono organizations and provide much-needed legal assistance to New Yorkers who are at risk of losing their homes."

"The Law Department is very pleased to help support the efforts of our colleagues at *NYC Service*, the Department of Housing Preservation and Development, the Department of Consumer Affairs, the Unified Court System and the pro bono providers of legal services to assist homeowners facing an unprecedented threat to their homes," said Corporation Counsel Cardozo. "By leveraging the pro bono spirit of the many attorneys throughout the five boroughs who are willing to contribute their time and legal skills, we hope to see the positive impact of recent changes in the settlement conference process in the very near future."

"In times of crisis, we all need to do our part supporting those most in need," said Michael Hickey, Executive Director for the Center for New York City Neighborhoods. "This unique partnership brings together the best nonprofit legal service and foreclosure prevention advocates in New York City to help tap, train and deploy our remarkable resource of volunteer attorneys. It will allow us to expand our work in the court systems in Queens, Brooklyn, Staten Island and the Bronx, where we provide free walk-in advice and counsel prior to court-mandated settlement conferences."

"With the help of the City's *NYC Service* program, Consumer Affairs has been able to recruit more than 800 volunteers for financial empowerment activities," said Commissioner Mintz. "Their assistance will be particularly important when we call upon large organizations and professional communities to come to the table to help."

"Facing foreclosure without benefit of qualified legal advice is like jumping out of an airplane without a parachute," said Department of Housing Preservation and Development Commissioner Rafael Cestero. "Legal representation is essential to keeping people in their homes. I urge any homeowner to call 311 at the first sign of trouble and get expert help immediately. This new initiative promises to strengthen the City's anti-foreclosure efforts by tapping fresh talent that could help save a family's home and stabilize a neighborhood. I join my colleagues in urging our City's vast legal community to join the ranks of public service, if only for a brief while. You can make a difference in someone's life."

"Addressing the current foreclosure crisis requires all helping hands on deck," said Justice Fern A. Fisher, Deputy Chief Administrative Judge for New York City Courts. "The New York State Court system is ready to continue to be one of the helping hands in this joint effort to assist New Yorkers who are losing their homes. The services of all the involved organizations toward this pressing need is impressive and reflects the best of New York."

"It is daunting to see the sheer volume of foreclosure cases on any given morning in the Queens County Supreme Court," said Hilary Gingold, an attorney volunteering in the program. "It is incumbent upon each and every attorney to make the time necessary to volunteer and assist our neighbors in the communities we live and work in. Volunteering is easy – just make one phone call and I can assure any attorney that he or she will be given the tools they need to help someone in need through the foreclosure process."

In 2009, there were 20,773 foreclosure filings in New York City, up from approximately 14,000 in 2007 and 2008. There were fewer than 7,000 foreclosure filings in the City in 2004. The city neighborhoods most impacted by foreclosure filings are Jamaica, Bellrose/Rosedale, Flatlands/Canarsie, East New York and the North Shore of Staten Island. The neighborhoods most impacted by foreclosure auctions are Jamaica, Bellerose/Rosedale, Kew Gardens/Woodhaven, the North Shore of Staten Island, and Howard Beach/South Ozone Park.

About NYC Service

NYC Service was launched by Mayor Bloomberg in April 2009 to meet a State of the City pledge for New York City to lead the nation in answering President Obama's national call to service. The program has three core goals: channel the power of volunteers to address the impacts of the current economic downturn, make New York City the easiest city in America in which to serve, and ensure every young person in New York City is taught about civic engagement and has an opportunity to serve. *NYC Service* aims to drive volunteer resources to six impact areas where New York City's needs are greatest: strengthening communities, helping neighbors in need, education, health, emergency preparedness and the environment. New Yorkers can find opportunities to serve their communities by visiting www.nyc.gov or by calling 311.

About the Center for New York City Neighborhoods

The Center for NYC Neighborhoods is a nonprofit organization charged with providing access to free housing counseling and legal services to New York City residents at risk of losing their homes to foreclosure. The Center grew out of efforts by the Mayor, the New York City Council, foundations and financial institutions to create a response to rising mortgage defaults and foreclosure filings, particularly in communities hardest hit by high cost mortgages and job loss due to the economic crisis. Established in 2008, the Center works with 27 nonprofit, community-based organizations, located throughout the city. In order to access free, reliable, nonprofit help, homeowners should call 311 or visit www.nyc.gov.

March 25, 2010

**STATEMENT OF MAYOR BLOOMBERG AND CONSUMER AFFAIRS COMMISSIONER
MINTZ ON PROGRESS TOWARD LIFTING STATE-WIDE BAN ON MUNICIPAL DEPOSITS
IN CREDIT UNIONS**

***City Council Passes Resolution 17 Encouraging the State Legislative to Enact
Municipal Depository Choice, Giving Cities Across the State the Opportunity to Make
Deposits in Local Credit Unions***

***Mayor Committed to Push for Albany Reforms during 2009 Campaign and 2010 State
of the City***

Statement of Mayor Michael R. Bloomberg

"Strengthening neighborhood friendly credit unions is a priority for our Administration, and one way we can do that is by lifting the statewide ban on our ability to deposit City funds in them. Credit unions are safe, insured, and competitive financial institutions, and that's why municipal leaders across the entire state have been calling on Albany to lift the ban. Today's City Council resolution strengthens our message, and I applaud the members of the Council for joining with us in this effort. If Albany lifts the ban, our Administration will fulfill the commitment I made in my recent State of the City speech by depositing \$25 million in City funds in federally insured and regulated credit unions that pay the same interest rate as commercial banks. This will allow credit unions to increase the number of loans they issue to low-income families and small neighborhood businesses across the City."