

# Agencies look to help struggling borrowers

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A foreclosure is more than a knife in the heart of the homeowner.

Municipal repercussions are sure to follow when borrowers default on their mortgages, said Yonkers City Council President Chuck Lesnick.

“Nobody in government wants to see people thrown out on the street,” he said at a June 3 conference announcing the Community Housing Innovations Inc. fast-track loan modification program. “There are all sorts of collateral expenses that are incurred when people go to homeless shelters or other types of subsidized housing.”

Westchester County Executive Robert Astorino echoed those sentiments.

“Foreclosures hurt homeowners, they hurt lenders and businesses and neighborhoods and communities and all local governments, so when they can be avoided, there are a lot of beneficiaries,” Astorino said. “For the first four months of 2010, we had 195 foreclosure judgments compared to 293 in the first four months in 2009 ... a bit of good news, yes, but foreclosures are more than statistics.”

Edward Keller of Rye Brook has been a Westchester County homeowner since 1976. Facing the adverse effects of 9/11 on his Chelsea-based business, Keller said he could not qualify for a fixed mortgage on his home, having gone through “probably no less than eight different refinancings.”

Keller, now a tenured professor at City College of New York, said he went through two temporary forbearances to delay foreclosure.

When he qualified for the federal home affordable modification program (HAMP), his mortgage servicer transferred the mortgage to Bank of America, which Keller said placed him in a bureaucratic entanglement.

"I was told by the bank that I had to do another temporary forbearance and of course this month, I received a new bill and it's substantially higher," he said. "It's over a year later and I'm still waiting for the final documents for the loan modification."

Keller and some 100 homeowners during a three-day event scheduled June 21-23 at 190 Boston Post Road in White Plains, will be afforded a sit-down dialogue with Bank of America representatives, who "will either write trial or permanent loan modifications right on the spot or within a few days," said Alexander Roberts, executive director of Community Housing Innovations, a White Plains-based, U.S. Department of Housing and Urban Development-approved nonprofit housing agency.

Homeowners in Putnam and Rockland counties are also eligible to apply for the program.

"We're looking for results here," Roberts said. "We're going to be transparent and accountable. We will be disclosing the results to find out how many people actually applied and got the loan modification and why those who did not were turned down. We're trying to make the banks more accountable and the borrowers as well."

Agencies joining Community Housing Innovations in the loan modification program include The Housing Action Council, Human Development Services of Westchester, Westchester Residential Opportunities and Putnam County Housing Corp.

A private foundation, which asked to remain anonymous, is funding the three-day event as well as a year's worth of follow-up budget counsel and financial education for participants.

Roberts said the agencies did reach out to other lending institutions, but that Bank of America was the first to really "embrace the guidelines."

The Federal Trade Commission last week announced two Countrywide servicing companies will pay \$108 million in settlement charges for overinflating fees for borrowers before it was acquired by Bank of America in 2008.

The settlement represents one of the largest judgments imposed in an FTC case.

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Bank of America and Countrywide customers struggling to make mortgage payments or who are facing foreclosure in Westchester, Rockland and Putnam counties are encouraged to apply for the fast-track loan modification program. All meetings will be private and by appointment only. All of the services provided by the counseling agencies are free. For information, call (877) 483-2686.



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