



NEW YORK
CITY BAR

March 22, 2023

Hon. Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Hon. Carl Heastie
Speaker
New York State Assembly
Legislative Office Building 932
Albany, NY 12248

Hon. Andrea Stewart-Cousins
Majority Leader
New York State Senate
Legislative Office Building 907
Albany, NY 12247

Re: New York State FY24 Judiciary Budget - Civil Legal Services Funding and Restoration of Funding for Homeowner Protection Program

Dear Governor Hochul, Speaker Heastie and Majority Leader Stewart-Cousins:

On behalf of the New York City Bar Association (City Bar), we are writing to urge you to support the proposed increase in the Judiciary Budget for civil legal services¹ and to restore funding for the Homeowner Protection Program (HOPP).

New York State's investment in civil legal services organizations is vital for ensuring access to justice for low-income New Yorkers. Access to free legal services promotes the health and stability of communities across the state. In the absence of legal representation, low-income communities are unable to assert their rights, which can have devastating consequences, including homelessness, hunger, loss of desperately needed educational and/or employment opportunities,

¹ See also "Testimony in Support of the NYS Judiciary's 2023-24 Budget Request," New York City Bar Association, Feb. 7, 2023, <https://www.nycbar.org/member-and-career-services/committees/reports-listing/reports/detail/judiciary-budget-nys-2024-support>.

About the Association

The mission of the New York City Bar Association, which was founded in 1870 and has over 23,000 members, is to equip and mobilize a diverse legal profession to practice with excellence, promote reform of the law, and uphold the rule of law and access to justice in support of a fair society and the public interest in our community, our nation, and throughout the world.

an increased risk of abuse and exploitation, and, for some, the inability to escape abuse and/or exploitation they are already experiencing.

Although low-income communities continue to face the economic fallout of the pandemic, pandemic-related legal protections and benefits programs have been phased out. Just this month emergency COVID SNAP benefits ended at a time when New Yorkers are struggling with inflation-affected food prices. The dramatic rise in inflation is making it even harder for low-income New Yorkers to afford legal representation. At the same time, legal services organizations, which are already stretched thin in the face of unprecedented demand for their services, are experiencing increasing costs. Without the State's continued investment, legal services organizations will be unable to sustain current service levels – they certainly will not be able to increase service levels to meet the increased need – and many New Yorkers will be denied access to justice.

We call upon you to support the proposed increase of 3% for civil legal services programs in the Judiciary's budget, including \$98.6 million to help bridge the gap between civil legal services needs of low-income New Yorkers and the \$17.4 million supplemental appropriation for Interest on Lawyers Account (IOLA) to fully fund its grantees. This proposed increase is nominal when taking into account inflation, but it is absolutely vital for legal services organizations' continued operations in service of these New Yorkers.

Turning to the Homeowner Protection Program, HOPP is a network of legal service providers and counselors in every county of the state aimed at preventing foreclosures. As the state's only homeownership retention program, HOPP has had an impressive impact: pre-HOPP, over 90% of homeowners in foreclosure lost their homes to a default foreclosure. After enactment of HOPP, 15% of homeowners in foreclosure lost their homes to a default foreclosure. That is a staggering decline. But the work is not done. It was disheartening to see that HOPP funding was absent from the Governor's budget proposed in February and amended on March 10.

HOPP has been in place since October 2012 – though most HOPP-funded organizations started providing these services in 2008 under a prior foreclosure prevention program. HOPP has a proven track record of helping New York homeowners remain in their homes, and of assisting the courts, New York State Department of Financial Services and localities to implement programs that address rising foreclosures' community impact over the past decade or longer. And where homeownership cannot be retained, HOPP advocates provide critical assistance to help homeowners benefit from the built-up equity in their homes, find alternative housing, and prevent homelessness. Moreover, stable HOPP funding addresses critical racial justice imperatives: U.S. Census Household Pulse Survey data shows an average of 7.4% of all New York homeowners delinquent on their mortgage for the time period 12/29/21 through 10/17/2022, however that measure is 16.8% for Latino, Hispanic, Black, and Asian homeowners, versus 5.6% of non-Hispanic white homeowners in New York. Continued HOPP funding can continue addressing this disturbing disparity, as roughly 43% of HOPP clients are homeowners of color – and an even higher 75% in New York City.

Desperate homeowners facing foreclosure are the perfect victims of deed fraud scams. The scammers solicit homeowners by mail, TV and the internet. HOPP-funded counseling organizations play a crucial role in educating and protecting homeowners from deed fraud and

guiding homeowners at risk of foreclosure to resources. At a time when New York State is addressing a serious housing crisis, the assistance provided by HOPP counselors is badly needed to keep more people in their homes.

We are gratified to see that both the Assembly and Senate's one-house budgets include \$40 million for HOPP. We urge the Governor's office to restore HOPP funding in the Executive Budget, as such funding is critical to support and sustain the work of HOPP-funded organizations in preventing homelessness and its detrimental impacts on individuals, families, and communities across New York State.

Respectfully,

Nicole Fidler

Nicole Fidler, Co-Chair
Pro Bono and Legal Services Committee

Jessica Klein

Jessica Klein, Co-Chair
Pro Bono and Legal Services Committee

Dorothy Heyl

Dorothy Heyl, Chair
Real Property Law Committee

Christopher M. Tumulty

Christopher M. Tumulty, Chair
Cooperative and Condominium Law Committee

Cc:

Hon. Brad Hoylman-Sigal, Chair, NYS Senate Judiciary Committee
Hon. Brian Kavanagh, Chair, NYS Senate Housing, Construction & Community Development
Hon. Liz Krueger, Chair, NYS Senate Finance Committee
Hon. Charles Lavine, Chair, NYS Assembly Judiciary Committee
Hon. Linda Rosenthal, Chair, NYS Assembly Housing Committee
Hon. Helene Weinstein, Chair, NYS Assembly Ways & Means Committee

Contact

Elizabeth Kocienda, Director of Advocacy | 212.382.4788 | ekocienda@nycbar.org
Mary Margulis-Ohnuma, Policy Counsel | 212.382.6767 | mmargulis-ohnuma@nycbar.org