

The logo for the New York City Bar, featuring the text "NEW YORK CITY BAR" in a serif font, centered between two horizontal blue bars.

**NEW YORK
CITY BAR**

**REPORT ON LEGISLATION BY THE
PRO BONO AND LEGAL SERVICES COMMITTEE**

**SUPPORT FOR THE INCLUSION OF FUNDING AND POLICIES
THAT WILL PROMOTE ACCESS TO CIVIL LEGAL SERVICES
IN THE FY25 NEW YORK STATE BUDGET**

On behalf of the New York City Bar Association (“City Bar”), we are writing to urge the Governor and Legislature, as part of final budget negotiations, to support the proposed increase in the FY25 New York State Budget for civil legal services, including domestic violence legal services programs, and to restore funding for the Homeowner Protection Program (HOPP). We also strongly encourage the inclusion of funding to support the expansion of the Higher Education Services Corporation (HESC) District Attorney and Indigent Legal Services Attorney Loan Forgiveness (DALF) program.

CIVIL LEGAL SERVICES FUNDING INCREASES

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 low-income 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, an increased risk of abuse and exploitation, and, for some, the inability to escape abuse and/or exploitation they are already experiencing. These problems are grave in their own right – and, in addition, risk placing even more burden on state and local governments if problems that civil legal aid organizations can help to address, end up being diverted elsewhere because such organizations are underfunded.

Currently, low-income New Yorkers are struggling with the lack of affordable housing, high food prices, and wages that have not kept up with inflation. The dramatic rise in inflation over the past couple of years 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 continued, 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 low-income New Yorkers will be denied access to justice.

About the Association

The mission of the New York City Bar Association, which was founded in 1870 and has 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.

We call upon the New York State Legislature and Governor to support the proposed increase of six percent for Judiciary Civil Legal Services-funded civil legal services programs. The proposed increase is vital for legal services organizations' continued operations in service of low-income New Yorkers.

We also urge the inclusion of \$20 million in funding to ensure that current victim assistance program contracts with the Office of Victim Services (OVS) are not adversely affected by expected federal Victims of Crime Act (VOCA) shortfalls, as well as the inclusion of \$100 million in state funding annually for 2025 to 2028 to ensure that OVS has sufficient funding to prevent or mitigate any future decreases in VOCA funding.

The largest source of OVS grants is the federal VOCA fund. These funds provide critical support for frontline organizations serving domestic violence survivors, sexual assault survivors, and underserved survivors of gun violence and other violent crime. Many of these organizations effectuate this support by providing access to shelter, housing, legal assistance, counseling, and more. The need to ameliorate VOCA shortfalls is especially significant even when only considering the domestic violence survivor population. According to the National Network to End Domestic Violence (NNEDV), New York domestic violence organizations serve the needs of more than 9,000 survivors in any given day. Tragically, the NNEDV reports that nearly 1,000 survivors per day in New York do not receive the help they need due to a lack of resources and staff. The need for domestic violence services in New York has far outpaced the funding provided to the organizations providing these services.¹

New York's VOCA grant has declined significantly in the past five years and the future of this funding is uncertain. Although a federal solution is needed, the Governor's budget proposes a multi-year commitment to address this problem now by including \$20 million for current contracts and \$100 million in annual funding for 2025 to 2028. State funding is necessary if legal and social services organizations are to be able to continue providing critical services to domestic violence survivors and their children in New York.

HOPP FUNDING RESTORATION

We are deeply concerned that all HOPP funding was eliminated from the Executive Budget. 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. HOPP's impact on homeowners is remarkable, but it also provides more value to New York than it costs.

First, HOPP's impact is impressive: HOPP service providers preserve homeownership just through securing loan modifications, by a conservative estimate, in 25% - 30% of cases. HOPP

¹ National Network to End Domestic Violence, *17th Annual Domestic Violence Counts Report: New York Summary* (2023), <https://nnedv.org/content/domestic-violence-counts-17th-annual/> (All websites last accessed on March 13, 2024).

providers assist many more to save homes with other workouts and ensure that the judicial foreclosure process is a more level playing field by providing a range of services including brief advice, friend of the court services and clinics at the courthouse and in virtual proceedings, assistance with pro se pleadings to unrepresented homeowners, representation of homeowners in mandatory settlement conferences, and full representation in foreclosure actions. 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 8% of all New York homeowners (over 300,000 homeowners) as delinquent on their mortgage between August and October 2023, which is *four times* the delinquency rate in January 2020, right before the pandemic. The situation is even more dire for homeowners of color, who face delinquency rates two to three times higher than those of white homeowners. Continued HOPP funding can continue addressing this disturbing disparity, as statistics have shown numbers approaching 50% of HOPP clients are homeowners of color – and an even higher, roughly three-quarters, in New York City.

Second, HOPP is more than worth its cost, separate and apart from the tremendous good it does for homeowners in need. HOPP saves New York State over \$1.2 billion a year in property value preservation, tax savings and additional cost savings to localities. Every \$1 million invested in HOPP yields a return of over \$5 million in tax and property cost savings to localities alone. Indeed, HOPP pays for itself even if just less than 3% of people served avoid homelessness (compared to the cost of housing those rendered homeless by avoidable foreclosures). HOPP also saves the state money by reducing costs associated with the mandatory settlement conferences, preventing deed theft and other scams, and keeping families stable to avoid dependency on state assistance.²

DALF PROGRAM EXPANSION

We call for the inclusion of \$4 million in additional funding to support the modest expansion of the Higher Education Services Corporation (HESC) District Attorney and Indigent Legal Services Attorney Loan Forgiveness (DALF) program. In doing so, we recommend that the final budget adopt the legislative framework for the expansion found in A.1568-D (AM Simon) / S.4511-C (Sen. Ramos). Attorneys begin working at legal service organizations with a desire to assist New Yorkers in need, but many are unable to dedicate their careers to this work due to the low pay and substantial debt from law school loans. A.1568-D / S.4511-C will right size the award program by both expanding the total eligible award up to \$64,000 and the period of eligibility, allowing attorneys to apply in their second year of work up until their tenth year, when most eligible attorneys will presumably be eligible for federal loan cancellation. HESC DALF money is one of the few sources of student debt relief open to those with private student loans. Attorneys of color and first-generation borrowers are more likely to hold private student debt that cannot be discharged via Public Service Loan Forgiveness (PSLF) or other federal programs. For attorneys who grew up in the very communities they serve, making careers in public service sustainable is an important policy that should be honored.

² See generally, Public Testimony of Center for New York City Neighborhoods, Feb. 2024, <https://nyassembly.gov/write/upload/publichearing/001411/005423.pdf>.

The Pro Bono and Legal Services Committee thanks the Governor and Legislature for their leadership and urge their continued support of the many facets required to make the robust and effective delivery of civil legal services in New York a reality.

Hamra Ahmad, Co-Chair
Pro Bono and Legal Services Committee

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

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Contact:

Elizabeth Kocienda, Director of Advocacy | 212.382.4788 | ekocienda@nycbar.org

Maria Cilenti, Senior Policy Counsel | 212.382.6655 | mcilenti@nycbar.org