



Habitat for Humanity - New York City Advocacy E-Newsletter
December 2008 - January 2009 - Issue No. 28

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1. Habitat-NYC News

Take action on state funding for affordable housing!

We need your support for sustaining affordable housing funding in Albany. The governor's proposed budget would roll back last year's gains in funding for housing, at a time when the need is more urgent than ever. Take action now! Follow the link below to contact your representatives, and ask them to provide the support that New York's most vulnerable families need in these troubled economic times.

To take action, go to:

<http://capwiz.com/habitatnyc/issues/alert/?alertid=12523181&type=ML>

Rockefeller tree gets new lease on life

Habitat-NYC is this year's proud recipient of the Rockefeller Center Christmas tree. After the tree is milled, its lumber will be incorporated in the 41 affordable Habitat-NYC homes now under construction in Brooklyn.

The recycled wood from this famous Norway spruce will fit in well with its new surroundings. Our Atlantic Avenue homes are eco-friendly and built to LEED's high green standards.

Habitat-NYC thanks Tishman Speyer and Rockefeller Center for donating this tree!

“Rockefeller Center tree to be wood for Habitat”

Jan. 11, 2009

AP

<http://www.buffalonews.com/nationalworld/state/story/545814.html>

Habitat-NYC testifies at City Council hearing on rent-to-own

Habitat-NYC advocates on behalf of its low-income homebuyers for appropriate regulation of predatory fringe financial services, like rent-to-own retailers and rapid tax lenders.

On Jan. 26, Habitat-NYC Executive Director Joshua Lockwood testified at a joint hearing of the Council Committees on Consumer Affairs and Human Rights on the rent-to-own industry. “In these troubled economic times, we think the consumers of New York should enjoy stronger consumer protections, and we are proud to add our voice to the call for action from Albany,” said Mr. Lockwood.

“Pols push greater oversight of rent-to-own retailers”

NY Daily News City Hall Bureau

Jan. 27, 2008

<http://drugpolicycentral.com/bot/article/nydailynews9205.htm>

2. City Housing News

Mayor’s Housing Marketplace Plan delayed due to recession

Mayor Bloomberg’s \$7.5 billion housing plan, which aims to create or preserve 165,000 units, has been delayed by one year due to a shortage of financing.

“It’s not a surprise to me that the mayor’s housing plan has had to adjust to the times,” said Josh Lockwood, executive director of Habitat for Humanity - New York City, a nonprofit developer of low-income housing. “There’s only so much that’s under the mayor’s control.”

“New York Housing Plan is Delayed”

by Manny Fernandez

Jan. 5, 2009

<http://www.nytimes.com/2009/01/06/nyregion/06housing.html?em>

Tenant Protection Act takes effect

Tenant organizers and associations are beginning to put the city’s new Tenant Protection Act to use. The Act allows tenants or groups of tenants to file suits that allege patterns of harassment by landlords (rather than specific, isolated violations). In response, the Rent Stabilization Association, a landlord’s group, is challenging the law’s validity in court.

“TENANTS EMPLOY NEW ‘UMBRELLA OF PROTECTION’”

By Chris Narducci

Dec. 22, 2008

http://www.citylimits.org/content/articles/viewarticle.cfm?article_id=3679

3. State Housing News

Senate Democrats reach agreement: Espada to run housing committee

On Jan. 6, Senate Majority Leader Malcolm Smith announced a leadership deal that will give the Democrats control of both chambers in Albany for the first time in over 40 years. Under the deal, State Senator Pedro Espada, Jr. will be named the chairman of the Housing Construction and Community Development Committee, as well as vice president of the Senate for Urban Policy.

“Democrats Reach Pact to Lead the Senate”

by Danny Hakim

Jan. 6, 2009

<http://www.nytimes.com/2009/01/07/nyregion/07albany.html>

Foreclosures fall as new waiting period kicks in

A new state law adding a 90-day waiting period before the start of foreclosure proceedings has contributed to a sharp drop in scheduled auctions. NYC home foreclosures in the fourth quarter were down 32%.

Also, contrary to national trends, a larger percentage of foreclosure auctions ended in sale to individual buyers than in the previous quarter. Individual buyers tend to own properties for a longer period and are thought to contribute to neighborhood stability.

“NYC foreclosures fall in the fourth quarter”

by Kindra Bindrim

Jan. 8, 2009

<http://www.crainsnewyork.com/apps/pbcs.dll/article?AID=/20090108/FREE/901089973/0/information>

Rent reform gathers steam

With a new Senate Democratic majority, Albany might strengthen tenant protection laws, or allow New York City to enact its own.

“WHERE IS THE SENATE ON RENT REGS REFORM?”

by Rachel Nielsen

Jan. 26, 2008

http://www.citylimits.org/content/articles/viewarticle.cfm?article_id=3691&content_type=1&media_type=4

4. Federal Housing News

Federal regulators approve new rules on credit card debt

On Dec. 18, three federal agencies with oversight of the \$970 billion credit card industry issued new rules to regulate card contracts. The rules would take effect in 2010 and would:

- prevent banks from raising interest rates retroactively on older debt unless the customer was more than 30 days late with payment.
- prevent banks from applying payments to low-interest-rate debt only, leaving high-interest balances to accrue.
- forbid “double-cycle billing,” the practice of charging interest on debt already paid.
- limit the issuance of “fee harvester cards,” low-limit cards that come with high initiation and maintenance fees.

Consumer advocates warn that these protections would not go far enough nor take effect soon enough. Congress is expected to consider stronger regulations early in the year.

“BANKING REGULATORS FINALIZE RULES ON CREDIT CARD ABUSES”

Press release, Consumer Federation of America

Dec. 18, 2009

http://www.consumerfed.org/pdfs/credit_cards_FRB_UDAP_rule_release.pdf

“New Limits Imposed on Credit Card Companies”

by Nancy Trejos and Binyamin Appelbaum

Dec. 18, 2008

<http://www.washingtonpost.com/wp-dyn/content/article/2008/12/17/AR2008121703474.html>

Two different bailouts, two very different results

The Federal Reserve’s vast purchases of mortgage-backed securities have quickly reduced the rates for mortgage lending to record lows. In the first week of January, the average interest rate for a 30-year fixed mortgage fell to 5.01%.

However, the Treasury’s multi-billion dollar direct investments in banks have not increased the amount of capital available to consumers, nor made a positive impact on the interest rates charged for everyday consumer credit (credit cards, etc.).

“Fixed Mortgage Rate Falls to Record Low, Freddie Says”

by Kathleen M. Howley

Jan. 8, 2009

http://www.bloomberg.com/apps/news?pid=newsarchive&sid=asbeol_SejUM

“Banks’ ‘Catatonic Fear’ Means Consumers Don’t Get TARP Relief”

by James Sterngold

Jan. 5, 2009

<http://www.bloomberg.com/apps/news?pid=20601109&sid=aqLT6v88t.Jo&refer=home>

5. Housing Research

Credit Suisse forecasts 8 million foreclosures 2009-2012

In December Credit Suisse raised its predictions for future foreclosures to 8.1 million. Other analysts have criticized Credit Suisse for pessimism in its forecasts, but recent data show that the company underestimated 2008's total foreclosures by about half a million properties.

"Foreclosure Update: over 8 million foreclosures expected"

by Rod Dubitsky, Larry Yang, Stevan Stevanovic, and Thomas Suehr

Dec. 4, 2008

<http://www.nhc.org/Credit%20Suisse%20Update%2004%20Dec%2008.doc>

"FORECLOSURE ACTIVITY INCREASES 81% IN 2008"

by RealtyTrac staff

15 Jan, 2008

<http://www.realtytrac.com/ContentManagement/pressrelease.aspx?ChannelID=9&ItemID=5681&acct=64847>

Subprime workouts not working

The Center for Responsible Lending reports that default rates on subprime and Alt-A loans continue to rise, and that when loan workouts – especially workouts that do not lower payments - are offered, borrowers frequently re-default within six months.

CRL recommends that Congress change loan servicers' incentives and liabilities to promote better workouts, allow bankruptcy courts to change loan terms, and extend liability for fraud throughout the chain of mortgage lenders, buyers and sellers to prevent future abuses.

“Continued Decay and Shaky Repairs: The State of Subprime Loans Today”

by Sonia Garrison, Sam Rogers and Mary L. Moore

Jan. 2009

http://www.responsiblelending.org/pdfs/continued_decay_and_shaky_repairs.pdf

Defending the CRA

A new Harvard Joint Center for Housing Studies paper finds that the “vast majority of subprime lending to lower-income borrowers and neighborhoods was outside the requirements and scrutiny of the [Community Reinvestment Act (CRA)],” the 1977 law to which some critics mistakenly attribute the subprime crisis. The rise of independent mortgage companies, which are not regulated by the CRA, has meant a decline in the portion of home loans covered by the Act. Only about 9% of subprime loans originated between 2004 and 2006 were subject to CRA regulations.

“Subprime Lending and the Community Reinvestment Act”

by Kevin Park

Nov. 2008

http://www.jchs.harvard.edu/publications/governmentprograms/n08-2_park.pdf

Habitat for Humanity - New York City transforms lives and our city by uniting all New Yorkers around the cause of decent, affordable housing for everyone.

This message was sent to members of Habitat for Humanity - New York City's Housing Justice Action Network. If you were forwarded this e-mail and would like to join our mailing list, please click [here!](#)

If you share the mission of Habitat - NYC and would like to support our work with a financial contribution, please go to <http://www.habitatnyc.org/donate.html> to find out how you can help us help others.