



Brian U. Stratton
Mayor

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**Mayor Stratton Reaches Out to Local Homeowners
Struggling to Make Mortgage Payments**

*Schenectady Mayor Unveils Timely TV & Radio PSAs to Urge Borrowers to
Call Toll-Free Mortgage Assistance Hotline: 1-888-995-HOPE*

SCHENECTADY -- Mayor Brian U. Stratton has taken action to help Schenectady and Capital Region residents by releasing a set of television and radio Public Service Announcements (PSAs) urging struggling homeowners impacted by the growing national mortgage foreclosure crisis to seek help at the first sign of financial hardship.

“While Schenectady, the Capital Region and New York State may statistically rank below the national average in mortgage foreclosures, our community is certainly not immune to recent challenges facing the nation’s mortgage market,” Mayor Stratton said.

“The best thing homeowners who find they are struggling with or having difficulty making their mortgage payments can do is to immediately reach out to the company or financial institutions they make their mortgage payments to. They should also call the national homeowner’s hotline number – **1-888-995-HOPE** -- to be connected to qualified mortgage payment counselors,” he added.

Personally featured in the professionally produced radio and television PSAs, Mayor Stratton directs borrowers in Schenectady and the Capital Region to call **1-888-995-HOPE**, a toll-free hotline provided by the Homeownership Preservation Foundation and the National Mortgage Bankers Association’s consumer education and foreclosure prevention web site, www.HomeLoanLearningCenter.com. Stratton will make copies of the 60-second radio and 30-second television PSAs available to local broadcast stations and news outlets serving the Albany-Schenectady-Troy media market.

Mayor Stratton produced and recorded the broadcast-quality Public Service Announcements in cooperation with the Mortgage Bankers Association and the U.S. Conference of Mayors. The Conference of Mayors is a nonpartisan, membership organization representing the mayors of America’s more than 1,100 principal cities with populations of 30,000 or greater, including the City of Schenectady.

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A comprehensive listing of toll-free numbers borrowers can call to directly reach the company they make their mortgage payments to can be found on the Mortgage Bankers Association Home Loan Learning Center web page at <http://www.homeloanlearningcenter.com/ForeclosurePreventContactInfo.htm> and the HOPE NOW alliance's web site at <http://www.fsround.org/media/pdfs/Servicehotlines2.pdf>.

James Bopp, Vice President of Construction and Renovation Lending at ProVantage Funding in Clifton Park, said, "On behalf of the Mortgage Bankers Association and the over 40 member companies and the 100-plus individual members of the MBA of Northeastern New York serving Schenectady and the Capital Region, I want to thank Mayor Stratton for his very public efforts to reach out to troubled homeowners."

"We all know that a foreclosure is bad for the borrower, but it is also bad for the lenders and the communities impacted by the foreclosures. It is in everyone's best interest to find workable solutions whenever possible, and that is what the MBA is doing through this coordinated campaign with Mayor Stratton," he added. Bopp is past president of MBA of Northeastern New York and currently serves as a board member of the local group.

Production of both the television and radio spots were paid for in full by the Mortgage Bankers Association (MBA), a national association headquartered in Washington, D.C. and representing the nation's finance industry, which employs more than 375,000 people throughout the country. In addition to Mayor Stratton's personally recorded segments, the MBA also provided a copy of its national consumer spot which offers a generic appeal for borrowers to seek help at the first sign of trouble. As the MBA says it, "After all, no one will know you need help unless you reach out to alert them of your situation."

"I thank the MBA for helping me to communicate this timely and important message to the citizens of Schenectady and the Capital Region, and for providing the tools needed to get their mortgage payments back on track," Mayor Stratton said. "I am also confident that our local broadcast media will do their part by airing these announcements immediately so they can reach as many borrowers as possible as quickly as possible," Stratton added.

According to the most recent statistics reported by New York State Department of Banking, foreclosure filings are up 40 percent in New York from the same time a year ago, with 14,000 foreclosure filings in the first three months of 2008. Banking Superintendent Richard Neiman has said that one in 200 New York homes is currently in the foreclosure process.

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In the five-county Capital Region, including Schenectady County, home foreclosures jumped five-fold in the first three months of 2008 compared to the same time a year ago. According to RealtyTrac.com, a California-based nationwide foreclosure tracking firm, one out of every 622 households in Albany, Rensselaer, Schoharie, Saratoga and Schenectady counties received foreclosure notices between January 1 and March 31.

RealtyTrac has reported that New York State ranks 30th among the 50 states in terms of numbers of foreclosures, with the State of Nevada leading the nation with one out of every 54 homeowners receiving a foreclosure-related notice – nearly four times the national average. Nationally, RealtyTrac reported 691,337 foreclosure filings in the first quarter of this year, compared to 437,497 a year ago.

Capital Region lenders, according to RealtyTrac, issued 646 foreclosure notices in the first quarter of 2008, up from 162 last year and from 467 in the last three months of 2007. For 2008, Albany County has experienced the highest foreclosure rate in the Capital Region so far, with 305 filings during the quarter, compared with 40 in the first quarter of 2007. Filings in Schenectady County have jumped to 100 from 17 over the same period, the 20th highest rate in the state.

Mayor Stratton says he supports Governor David A. Paterson's program bill no. 44, which would provide assistance to homeowners currently at risk of losing their homes and extending the time period before banks or lending institutions would be able to engage foreclosure proceedings. Specifically, the Governor's bill establishes a minimum 60-day waiting period before foreclosure proceedings may begin, allowing time for homeowners to work with local mortgage counselors to determine a plan to save their homes.

The Governor's legislation would make mortgage fraud a crime, give homeowners facing foreclosure the opportunity for a court-supervised settlement, and establish greater safeguards between lenders and borrowers to practically ensure that those who borrow will be able to sustain mortgage payments over the long term.

"I applaud Mayor Stratton's efforts to remind homeowners that they need to reach out to their lenders if they find themselves having trouble paying their loans," said Governor David A. Paterson. "We have found that, in many cases, struggling borrowers are not contacting their lender. Lenders have also indicated to us they are eager to enter into those discussions, which are critical to reach payment solutions. The bill I have sent to the Legislature provides two methods - a pre-foreclosure notice and a mandatory settlement conference - to get borrowers and lenders to the table for these types of discussions. We must move now to save the tens of thousands of New Yorkers impacted by this crisis. We can't delay any longer," the Governor said.

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On the national level, Mayor Stratton says he supports bipartisan legislation sponsored in the United States Senate by Senators Christopher Dodd (D-CT) and Richard Shelby (R-AL) that would provide an additional \$4 billion in Community Development Block Grant (CDBG) funding to those cities hardest hit by the national mortgage foreclosure crisis to buy and rehab foreclosed or abandoned properties at a discount for rental or sale, thus ensuring greater local control over the integrity of local neighborhoods.

Better Neighborhoods, Incorporated (BNI), a local not-for-profit organization in Schenectady, provides homebuyer education workshops and one-on-one counseling services for home buyers and homeowners. In the last two years, BNI has reported a marked increase in demand for the counseling services it provides to homeowners who are in danger of losing their homes to mortgage foreclosures.

Ellie Pepper, Assistant Director of BNI, cited the following statistics in relation to foreclosures in the City of Schenectady:

According to a Federal Reserve Bank report released in October, 2007: Two percent of the city's total population (1,297) held mortgages that were sub prime first lien owner-occupied loans; four percent of these homes (53) had already been taken by foreclosure, with another 8 percent (98) in the midst of foreclosure proceedings; and 28 percent (362) were at least 30 days behind on their mortgage payments.

Mayor Stratton says he supports the exploration of other local efforts including identifying local organizations serving Schenectady and the Capital Region, including BNI, who may be able to provide counseling and assistance at little or no cost to homeowners who may be in jeopardy of losing their homes.

“It is clear that effectively addressing the nation’s mortgage foreclosure crisis requires a combination of local, state and national solutions. I hope that through these measures, mounted on all three levels, Schenectady can do its share to provide the assistance Capital Region families may need to keep their homes and sustain our community,” Mayor Stratton said.