

# LI MORTGAGE HELP

■ Loans up to \$40,000 could stave off foreclosure

■ NY program funded by settlement with big banks

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Long Island homeowners in distress will soon be eligible to apply for a new low-cost loan program meant to help avert foreclosure.

Homeowners will be able to obtain loans this fall of up to \$40,000 to pay down delinquent home loans or satisfy liens, which can interfere with troubled homeowners' ability to have their mortgages modified by lenders, New York Attorney General Eric T. Schneiderman said yesterday.

For many families, "receiving a small loan through this program will mean the differ-

ence between a mortgage modification and the loss of a home," Schneiderman said in a statement. He is expected to officially announce the initiative, called the New York State Mortgage Assistance Program, today in Hempstead. Recipients must earn less than 120 percent of their area's median income.

The loans will be funded by a portion of the \$25 billion accord reached in 2012 between the nation's five largest lenders and federal and state agencies, including the New York attorney general's office, settling allegations of foreclosure abuses. The program is expected to make hundreds of

loans to homeowners, the attorney general's office said.

The new program will be launched first on Long Island because of the region's high foreclosure rate, especially in communities such as Brentwood and Hempstead, according to Schneiderman's office. Of all Island homeowners with mortgages, 5.7 percent were in foreclosure in April, compared with 4.4 percent statewide, according to the most recent report from national real estate data provider CoreLogic.

Eligible Long Island homeowners can apply starting Sept. 15; those elsewhere in New York beginning Oct. 15.

The loans will not come due until the home is sold or the mortgage is paid off. No interest will be charged, although the amount due will be adjusted to account for inflation, the attorney general's office said.

Many homeowners fall behind on their mortgages or other debts due to a temporary setback, but even after they recover they cannot come up with the cash to pay down those arrears, said Ian S. Wilder, an attorney and program manager at Long Island Housing Services in Bohemia.

Because the new loans will not require monthly payments, lenders won't factor them into the debt-to-income calculations that determine whether a homeowner is eligible for a loan modification, Wilder said.

"Having that extra amount of money to act as a small bridge will sometimes get the client to a point where they can stay in the home," Wilder said. "It benefits the community because the home is kept up, the value is kept up."

More information is available at [nysmap.org](http://nysmap.org).