

New Court Rule Drives Down Foreclosures in NYC

WNYC

Monday, June 13, 2011 - 12:00 AM

By [Lisa Chow](#)

Housing advocates say foreclosure actions have fallen dramatically in New York City, primarily because state courts now require loan servicers and banks to verify the accuracy of their documents in foreclosure cases.

Last October, New York's chief judge Jonathan Lippman announced the new requirement in response to the robo-signing scandal, which revealed that servicers were signing foreclosure documents without even reading them.

"And it's right after that that we saw the first big drop-off in foreclosure actions filed in New York City on 1- to 4-family homes," said Sarah Ludwig, founder of the Manhattan-based advocacy group, NEDAP. The new rule "definitely sent out a message to the industry and put the breaks on the filing of foreclosure actions for awhile."

Foreclosure notices in New York City dropped more than 20 percent in the first quarter of this year, compared to the same period last year, according to figures published by NYU's Furman Center for Real Estate and Urban Policy. And it's taking double the time for banks to go through the court process to seize properties from delinquent homeowners -- one year in 2007, compared to two years in 2010.

But delinquency rates are still high, which suggests foreclosures are not disappearing any time soon.

"We're very far from through this crisis," Ludwig said. "So I think we have to brace ourselves for continued waves of bad times for a lot of homeowners and communities."

Read More: [foreclosures](#), [jonathan lippman](#), [nedap](#), [real estate](#)

More in: [WNYC News Blog](#) »

Leave a Comment

[Leave a comment](#)

Register for your own account so you can vote on comments, save your favorites, and more. [Learn more.](#)

Please stay on topic, be civil, and be brief.

Email addresses are never displayed, but they are required to confirm your comments. Names are displayed with all comments. We reserve the right to edit any comments posted on this site. Please read the [Comment Guidelines](#) before posting. By leaving a comment, you agree to New York Public Radio's [Privacy Policy](#) and [Terms Of Use](#).

Name*

Email address*

Comment*

Location

* Denotes a required field

Politics	Books	All Things Considered	Gig Alerts	Events calendar	WQXR
Business	Food	Brian Lehrer	New Sounds	Book an Event	The Takeaway
Education	Theater	Fishko Files	No Cover: WNYC's Concert Series	Directions	Radiolab
Health Care	Visual Arts	Fresh Air	Soundcheck		Studio 360
Transportation		Leonard Lopate	Spinning on Air		On The Media
		Morning Edition	Q2		Transportation Nation
		New Sounds		Giveaways	Radio Rookies
		On The Media		Schedule	It's a Free Country
		Radiolab		Video	
		Radio Rookies			
		Selected Shorts			
		Soundcheck			
		Spinning on Air			
		Studio 360			
		The Takeaway			
		This American Life			
		Specials			
