

Central Islip, NY— On Saturday, U.S. Congressman Steve Israel (D-NY) joined the Community Development Corporation (CDCLI) of Long Island, Nassau-Suffolk Coalition for the Homeless and Bethpage Federal Credit Union for a seminar for homeowners seeking to avoid foreclosure and improve their credit ratings. Individuals attending the seminar received free and confidential assistance from credit, mortgage, and foreclosure counselors.

“Across Long Island more than 8,800 families are struggling to avoid foreclosure while also facing rising food and fuel costs,” Israel said. “I want to make sure that my constituents have the tools they need to address new pressures caused by the current financial crisis. Today’s workshop provided the opportunity for Long Islanders worried about their home finances to get free and confidential advice from credit, mortgage, and foreclosure counselors.”

Earlier this month, Israel voted for a series of bills that will help improve home values and assist Americans struggling with housing and credit problems and those in danger of losing their homes. The *American Housing Rescue and Foreclosure Prevention Act of 2008* and the *Neighborhood Stabilization Act of 2008* were approved by the House on May 7, 2008 with bipartisan support.

The *American Housing Rescue and Foreclosure Prevention Act of 2008* will provide mortgage refinancing assistance, which will help keep families from losing their homes and protect neighboring home values. The plan also expands programs run by the Federal Housing Administration (FHA) that will allow borrowers in danger of losing their home to refinance into lower-cost government-insured mortgages they can afford to repay. The *Neighborhood Stabilization Act of 2008* will provide \$15 billion in loans and grants to states to acquire vacant, foreclosed homes. The legislation will allow local communities to rehabilitate foreclosed properties, which currently drive down surrounding home properties, and place these homes back on the market.

While remaining high compared to the rest of the country, home prices have fallen on Long Island in recent months. According to the Multiple Listing Service of Long Island, the median price of homes on Long Island fell 11% in February alone. February’s median of \$415,000 is the lowest in almost three years, the same figure for April 2005. The median home price in February was \$359,500 in Suffolk, \$458,800 in Nassau. Unlike the environment in 2005, the middle of a housing boom from which prices continued to rise, there is no indication of a similar trend today.

The mortgage crisis has impacted Long Island heavily. According to a March 2008 report by the Empire Justice Center, Suffolk and Nassau counties accounted for 33 percent of all subprime loans originating in New York that are now in foreclosure. A separate study by the Federal Reserve Bank of New York confirms that loans on Long Island account for one-third of New York’s 12,936 subprime loans in foreclosure. Lastly, the Center for Responsible Lending predicts home foreclosures will directly impact 5,372 homes in Suffolk County and 3,505 homes in Nassau County while indirectly impacting over 500,000 nearby homes with lower home values.

Joining Congressman Israel at Saturday's foreclosure seminar were Islip Town Supervisor Phil Nolan; Eileen Anderson, Senior VP at Community Development Corporation of Long Island; Maria Tullo, Manager of Residential Mortgage Group at Bethpage Federal Credit Union; Joan Noguera, Nassau-Suffolk Coalition for the Homeless; and Linda Armyn, Bethpage Federal Credit Union.